FBIS DAILY REPORT

CONTENTS

*Latin America*

*Vol VI No 012* *17 January 1986*

INTER-AMERICAN AFFAIRS

Regional Ministers Support Contadora Document [Managua] A 1
Contadora To Discuss Peace Document in Panama [NOTIMEX] A 1
OAS Includes Contadora Document in Agenda [CANA] A 2
Presidents To Meet in Guatemala in May [STAR AND HERALD 16 Jan] A 2
Garcia Advocates Regional 'Executive Board' [EFE] A 3

ARGENTINA

Alfonsin May Oppose Legislators' UK Visit [TIEMPO ARGENTINO 15 Jan] B 1
Senate Official Comments B 1
$270-Million Refinancing Agreement Signed B 2

BRAZIL

False Bomb Alarm Reported at U.S. Embassy D 1
Sarney Rejects Funaro Offer To Resign [O GLOBO 15 Jan] D 1

CHILE

Bishops Release Declaration Calling for Dialogue E 1
Caribinero Major Arrested in Triple Murder Case E 1

ECUADOR

FUT Rally To Protest Price, Wage Increases G 1
Drop in Long-Term Oil Prices 'Growing' G 1
Republican National Coalition Registered as Party G 2

PARAGUAY

Ministry Issues Communique on Kennedy Remarks [LA TARDE 15 Jan] H 1
Minister Discusses National Accord, Dialogue H 2

PERU

MRTA Guerrillas Protest Kennedy Visit J 1
Shining Path Kills 5, Steals Dynamite, Arms J 1
Police Raid 'Terrorist Clinic' in Lima J 2
Briefs: New Ambassadors Appointed; Copper Production Figures J 2

MEXICO

EEC Commissioner Cheysson Meets De la Madrid M 1
Holds Press Conference M 1
Officials Meet With Visiting Belizean Ministers M 2
Trade With GDR Drops 95 Percent in One Year M 3
Nation Prepares for Oil Market Collapse M 3
Government Announces New Antidrug Operation M 3
[EL DIA 11 Jan]

PANAMA

Delvalle Returns From Guatemala; Views Contadora N 1
Noriega Said To Promote Government Junta N 1
[QUIUBO 16-23 Jan]
Editorial Supports Noriega on Torrijos 'Error' N 2
[CRITICA 13 Jan]

CENTRAL AMERICA

COSTA RICA

Monge Suggests Debt Policy in New Year's Message P 1
[LA NACION 6 Jan]
Debt Renegotiated With Paris Club Members P 1

EL SALVADOR

FDR-FMLN Communique on Alleged U.S. Intervention P 2
[Farabundo Marti]
Ochoa Says Military Controls Chalatenango Roads P 2
Rebels Claim 39 Army Casualties in 4 Days P 3
[Venceremos]
Right, Left Wings Seeking To Destabilize Regime P 4
[RUMBO CENTROAMERICANO 27 Dec-2 Jan]

GUATEMALA

C. American Presidents To Meet Again in Early 1986 P 5

HONDURAS

Azcona Delegation Leaves for 2-Day U.S. Visit P 7
Azcona Interviewed on Meeting With Armed Forces P 7
Armed Forces Chief Denounces 'Terrorist Plan' P 9
Border Residents Report Sandinist Encroachment P 10
[LA TRIBUNA 15 Jan]

NICARAGUA

Ortega Scores U.S. at Guatemala News Conference P 11
2 Helicopters Allegedly Attacked From Costa Rica P 15
Spanish Foreign Minister Arrives for Visit P 15
Meets With Ortega P 15
Social Aid Agreement Signed P 15
Meets With Opposition Leaders [Madrid] P 16

CUBA


Flavio Bravo Meets With Peru's Alva Castro Q 1
Attends L.A. Parliament Q 1
Del Valle Assesses Cuban Efforts in Guyana Q 1
1986-87 Cultural Agreement Signed With Italy Q 1
Nicaraguan National Assembly Official Arrives Q 1
Bravo Greets Cambodian Party Chairman Chea Sim [Phnom Penh] Q 2
Havana To Host Automated Information Meeting Q 2
'Our America' Sees Baker Plan as Failure Q 3


CARIBBEAN

BAHAMAS


Prime Minister Pindling Speaks at Party Banquet [THE TRIBUNE 11 Jan] S 1
FNM Holds Convention To Elect Officers S 2
Former Minister Denies Leaking Cabinet Secrets S 2


BARBADOS


St John Holds Talks With Italy's Andreotti S 3
IDC Optimistic About Manufacturing Industry [BARBADOS ADVOCATE 10 Jan] S 3


GRENADA


IMF Reports Nation Reduced Foreign Debt in 1985 S 4


GUYANA


Soviet Delegation Expected for Cooperation Talks T 1
PCD To Report on 'Electoral Malpractices' T 1

REGIONAL MINISTERS SUPPORT CONTADORA DOCUMENT

PA151332 Managua Domestic Service in Spanish 1300 GMT 15 Jan 86

[Declaration issued by the Central American foreign ministers in Guatemala City on 14 January -- read by announcer]

[Text] The foreign relations ministers of Central America, meeting in Guatemala City for the inauguration of President Vinicio Cerezo, and after holding a working meeting with the foreign ministers of Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, and with the foreign ministers of Argentina, Brazil, Peru, and Uruguay, members of the Support Group, issue the following Guatemala declaration:

1. The foreign relations ministers of Central America, who are meeting for the first time with the foreign relations ministers of the Contadora and Support Groups, during an occasion deemd to be of major importance to the overall peace process in the region, have received from the ministers of eight Latin American countries the Caraballeda document for peace, security, and democracy in Central America.

2. Upon studying the Caraballeda document for Central American peace, security, and democracy, the Central America foreign ministers have agreed to express our adherence to the principles and purposes contained therein, reiterating our countries' commitment to achieve peace and stability through the Contadora Document for Peace and Cooperation in Central America.

We feel that by expressing our adherence to the initiatives and proposals contained in the Caraballeda document, the climate of mutual trust that will permit reaching peace and cooperation in Central America will be generated.

3. The Central American foreign relations ministers feel, and so acknowledge it, that the meeting of 13 Latin American representatives held in Guatemala City, as the means to find solutions for the region's problems, is an auspicious event that will contribute to consolidating the democratic future of all our countries.

We sign this declaration in Guatemala City, on the 14th of January 1986, the international year of peace.

Signed by the five Central American foreign ministers, in support of the Caraballeda document.

CONTADORA TO DISCUSS PEACE DOCUMENT IN PANAMA

FL162014 Mexico City NOTIMEX in Spanish 1623 GMT 16 Jan 86

[Excerpt] Panama City, 16 Jan (NOTIMEX) -- Panamanian Foreign Minister Jorge Abadia Arias has announced that the Contadora Group foreign ministers will meet next week in Panama City to work on the peace and cooperation document.

Abadia Arias said: The advances achieved in the recent Caraballeda, Venezuela, meeting were extraordinary, and now we will have to work more than ever as the Central American countries have asked us to do so that no dangerous gap is produced.

The Venezuelan [as received] foreign minister did not give an exact date as to when the Contadora Group -- composed of Mexico, Venezuela, Panama, and Colombia -- will meet.

OAS INCLUDES CONTADORA DOCUMENT IN AGENDA

FL151632 Bridgetown CANA in English 1100 GMT 15 Jan 86

[Text] Washington, Jan 14, CANA -- The chairman of the highest permanent political body of the Organisation of American States (OAS) today warned that failure by the Contadora Group in its peace initiative for Central America could have catastrophic results. The Contadora Group cannot fail and will not be allowed to fail, Ambassador Albert Xavier of Grenada told the representatives of Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, and of Argentina, Brazil, Peru, and Uruguay, members of a Support Group, as they delivered to him a copy of a new peace proposal for Central America adopted last weekend in Venezuela. We urge you to extend your efforts as failure to do so may have catastrophic results, Xavier told the delegates at the ceremony by which the OAS was informed of the new peace initiative.

Ambassador Val McComie, who is acting as secretary general of the OAS while Joao Clemente Baena Soares attends swearing in ceremonies in Guatemala for President-elect Vinicio Cerezo, also received a copy of the document known as Message of Caraballeda for Peace, Security, and Democracy in Central America. The council chairman announced that the new peace initiative will be included in the agenda of a regular session of that OAS body to be held Thursday morning.

PRESIDENTS TO MEET IN GUATEMALA IN MAY

PA161326 Panama City STAR AND HERALD in English 16 Jan 86 pp A 1 A 6

[By Hermes Sucre Serrano]

[Text] [Panamanian] President Eric Arturo Devalle announced yesterday that five Central American presidents will conduct a summit meeting next May in Esquipulas, Guatemala. Delvalle said that the summit is planned to evaluate and seek solutions to the current crisis existent in Central America.

The President's statements were made yesterday following his return from Guatemala where he had attended the inauguration of Guatemala's new president, Vinicio Cerezo Arevalo.

On his first trip outside the country since assuming this country's presidency on Sept. 27, 1985, President Delvalle remained three days in the Guatemalan capital, and during his stay there, he conducted interviews with Chiefs of State and others who were present during Cerezo Arevalo's inauguration, held last Tuesday.

The agreement for a Central American summit was made during a breakfast meeting held in the Guatemala Government Palace, in which presidents [as published] Jose Azcona Hoyo of Honduras, Jose Napoleon Duarte of El Salvador, Daniel Ortega of Nicaragua, Vinicio Cerezo of Guatemala, and President Delvalle participated.

Delvalle said that the summit will take place next May in Esquipulas, a frontier town near the borders of Guatemala, Honduras and El Salvador. "At this summit we will seek to fortify the friendly ties and look for effective mechanisms to attain peace in Central America," said Delvalle. Invited to attend the May summit are the Chiefs of State of Honduras, El Salvador, Guatemala, Nicaragua and Panama.

In referring to his first trip abroad since taking over from Nicolas Ardito Barletta, Delvalle told members of the local press, who accompanied him on his trip, that his mission had proven to be very positive, because it gave him the opportunity to converse with other heads of state who were in Guatemala, over the support which Panama will continue to extend in seeking a way out of the present Central American conflict.

Delvalle said that based on the Summit, the Presidents will reach a consensus for a "Guatemala Declaration" document to approve the peace proposal made by the Contadora Group at its last meeting in Venezuela.

GARCIA ADVOCATES REGIONAL 'EXECUTIVE BODY'

PY170013 Madrid EFE in Spanish 1928 GMT 16 Jan 86

[By Marisol Marin]

[Text] Lima, 16 Jan (EFE) -- Peruvian President Alan Garcia said today that Latin America needs "a kind of decisionmaking executive body" because efforts to confront the problems of the foreign debt and under development are insufficient.

Alan Garcia delivered the opening speech at the Latin American Parliament Executive Board meeting. He said that the first step toward that objective should be a meeting of presidents, putting aside the "outdated conditions" of most Latin American constitutions.

Garcia said: "If Latin America already has a parliament, it also needs a meeting of presidents."

The Peruvian president focused his 30-minute speech on the need for unity and integration among the Latin American countries to give impetus to a "continental revolution" and build a "new democracy."

Garcia added: "If we do not unite, every day that passes is a day of treason to the Latin American people."

The Peruvian president said that the basic objective of the common action should be to solve the foreign debt problem, which he labeled a "colonial bond," and to limit military expenditures because "no Latin American country can afford to fight another country."

Alan Garcia emphasized that without a concrete and thorough solution to the foreign debt problem, "democracy will exist in name only and will fail to promote the development of our people."

He said: "Without a solution to that problem, we can be neither revolutionary nor democratic in Latin America."

Garcia, who upon being inaugurated, announced that Peru would only allocate 10 percent of its imports to pay the foreign debt, said that "this situation only reflects the unequal exchange between the poor and the rich."

Garcia added: "(The debt) has already been paid several times over in this unequal exchange. The investments and credits of Latin America have already been re-exported several times."

Garcia also pointed out that growing protectionism and the "usury" of the interest rates have worsened the debt and that the recycled debt through new credits "were made under conditions detrimental to most of our people."

He also referred to the need to act jointly to defend the value of "our exports" because "we have to have wisdom so as not to live competing with our misery."

He added: "The new democracy for Latin America must break the colonial bonds associated with the foreign debt."

The Peruvian president repeatedly called for "action," indicating that the efforts Peru is making "against the grain, in the midst of great difficulties, misunderstandings, impatience, and shortages are part of something very important, which is "the continental revolution." [quotation marks as received]

The Peruvian president concluded his speech by calling on the representatives of the Latin American Parliament to urge their governments to make decisions and become aware that the future of Latin America must be "continental revolution and intergration."

Legislators from 19 countries are attending the Latin American Parliament Executive Board meeting, which will end on 18 January.

The problem of the foreign debt will be the main issue during debates but an action plan for 1986 will also be prepared and the possibilities of institutionalizing the parliament will be studied.

Since its creation in Lima in 1965, this is the first time that the Latin American Parliament has met in that city.

## ALFONSIN MAY OPPOSE LEGISLATOR'S UK VISIT

PY160042 Buenos Aires TIEMPO ARGENTINO in Spanish 15 Jan 86 p 6

[Text] President Raul Alfonsin may suggest that Radical Civic Union [UCR] legislators cancel the visit they are planning to Great Britain on 14 February to hold talks on the Malvinas conflict in the face of what has been described as "unwillingness" by the government of Margaret Thatcher to hold a dialogue.

A high UCR source reported that President Alfonsin recently told Senator Adolfo Gass, chairman of the Senate Foreign Relations Committee, that he "was not convinced" of the usefulness of this trip to Great Britain. The UCR legislators may therefore decline the invitation to go on 14 February.

The source said that "although contacts among legislators are always more flexible than those among government officials, a visit by Argentine legislators at this time could give a break to Thatcher, who is now under heavy domestic pressure because of her inability to negotiate."

### Senate Official Comments

PY161642 Buenos Aires TELAM in Spanish 2102 GMT 15 Jan 86

[Text] Buenos Aires, 15 Jan (TELAM) -- Adolfo Gass, the Senate Foreign Affairs Committee Chairman, denied this afternoon that President Raul Alfonsin has told Radical lawmakers that it would be advantageous to reject an invitation from their British peers to visit Great Britain to hold talks on the Malvinas Islands conflict.

In comments to Radio Rivadavia, Gass denied press reports that the president may have suggested that it would not be advantageous to accept the invitation at this time. The invitation is for mid-February.

Nevertheless, Gass admitted that he discussed the issue with the president and that he told Alfonsin the following: I will talk about the issue with Minister Caputo when he returns, because even though each branch of government is absolutely independent, and lawmakers can say or do what they deem most appropriate, I, in my capacity as a government official, will not take any stand without the agreement of the foreign minister.

Asked whether the presence of Argentine lawmakers in Great Britain might serve to reduce pressure on Prime Minister Margaret Thatcher's domestic policy, Gass replied: I do not agree with that, because we would be exerting strong pressure and we would be giving her new problems to confront. This is speculation that everyone can interpret in their own way.

## $270-MILLION REFINANCING AGREEMENT SIGNED

PY160134 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0110 GMT 15 Jan 86

[Excerpt] Buenos Aires, 14 Jan (NA) -- Economy Minister Juan Sourrouille, U.S. Ambassador Frank Ortiz, and Eximbant [Export-Import Bank of the United States] President William Draper today signed an agreement to reschedule the Argentine foreign debt, using U.S. Government guarantees totaling approximately $270 million. For many years Eximbank has been supplying financial assistance to Argentine buyers to import U.S. goods and services. After signing and initialing this agreement, the Eximbank officials stated that they expect that Eximbank operations in Argentina will be promptly resumed, "with the goal of assisting Argentina in its economic growth and development."

To date Eximbank maintains investments and obligations in Argentina totaling approximately $740 million. The debts refinanced today with Eximbank are the ones that fell due on 31 December 1985.

U.S. Ambassador Ortiz signed the bilateral agreement on behalf of the United States. He also signed a supplementary agreement to refinance the obligations to the International Development Agency. Draper also signed the supplementary agreement on behalf of Eximbank. On the Argentine side, the agreements were initialed by Sourrouille, who was accompanied by Secretary of Finance Mario Brodersohn and Juan Somer, foreign, domestic debt, and treasury under secretary.

The refinancing covers obligations totaling approximately $270 million, of which $260 million is owed to Eximbank. This agreement follows the ones already reached with French, Spanish, FRG, Japanese, Canadian, and Austrian official agencies totalling approximately $1.1 billion. The Argentine Economy Ministry has stated that "the signing of these agreements opens new possibilities for long-term financing of the importation of capital goods and services by the Argentine private and public sectors. These import operations have been interrupted since 1982 because foreign obligations are in arrears."

## FALSE BOMB ALARM REPORTED AT U.S. EMBASSY

PY162356 Madrid EFE in Spanish 2317 GMT 16 Jan 86

[Text] Brasilia, 16 Jan (EFE) -- The U.S. Embassy suspended its activities for nearly an hour today when embassy personnel received a package by mail that seemed to be a bomb, the firemen's office has reported. Upon receiving the daily mail, embassy personnel immediately set aside a medium-sized package they suspected might be a bomb and called the police.

The Fire Department bomb squad examined the package, opened it, and found a harmless toy sent from abroad, probably for Christmas or for the Three Kings, the police report said.

## SARNEY REJECTS FUNARO OFFER TO RESIGN

PY170053 Rio de Janeiro O GLOBO in Portuguese 15 Jan 86 p 19

[Text] Brasilia -- "Absolutely not, I will not allow you to say that." With these words, President Jose Sarney yesterday emphatically rejected Finance Minister Dilson Funaro's offer to resign in the belief that his health problem might cause discomfort and embarassment to the administration.

According to a Planalto Palace source, this short conversation took place before the meeting of President Sarney with Interior Minister Ronaldo Costa Couto, Agriculture Minister Pedro Simon, and Planning Minister Joao Sayad. This meeting, in which Funaro also participated, started at 1120, and its purpose was to approve the program for the irrigation of the northeast.

The finance minister returned on 13 January from New York, where he had consulted Dr David Strauss at the Sloan-Kettering Memorial Center. Dr Strauss prescribed some Leukeran and Prednisionone pills, which Funaro began taking on 10 January, thus beginning treatment to cure him of recurrent lymphatic cancer, which appeared again last Christmas after 3 years of remission.

While Funaro was consulting Strauss in New York, rumors circulated in Brazil that he might be removed in a Cabinet shuffle because of his recurrent cancer. It was even reported that Central Bank President Fernao Bracher had been suggested to President Sarney as a possible replacement for the finance minister.

In view of these rumors, Funaro yesterday decided, according to the Planalto Palace source, to tender his resignation to President Sarney to help the administration. President Sarney's refusal was emphatic.

BISHOPS RELEASE DECLARATION CALLING FOR DIALOGUE

PY160235 Santiago Radio Chilena in Spanish 2200 GMT 15 Jan 86

[Text] Chilean bishops released a declaration this afternoon expressing the urgent need to offer the Chilean people dialogue, coexistence, and agreement. The document entitled "We Shall Neither Be Silent Nor Take Rest," released this afternoon by the Permanent Committee of the Episcopate, expressed concern over the national situation. The bishops said that the issue of reconciliation is a basic mission of the church, and it is a concern throughout the world. They added: In Chile there are reasons why we must discuss and accept this task. We see our country regrettably and dangerously divided. We are seeing events develop very quickly.

The bishops added that they feel an urgent need for dialogue, coexistence, and agreement, without supporting the government, the opposition, or any political party. They said: We insist that reconciliation among people, even among politicians, is based on reconciliation with God. The bishops also stated that the government's rejection of the National Accord for the Transition to Full Democracy was bad news for many Chileans. They said: Despite this rejection, we believe it is only an episode along the road which will take us to peace. The destiny of 12 million Chileans depends on everyone and cannot depend on the criteria and will of only a few.

The document of the Episcopate says: We hope that the president, members of the Government Junta, the Cabinet ministers, and all the people responsible for governing this country will be able to listen to the Chilean people, who are expressing themselves in various ways, such as the elections being held in various organizations. Their guilt will be great within their own consciences and history if they did not do so.

The document adds: The Catholic Church has been preaching the gospel in Latin America for the last 500 years, and our country will neither be silent nor rest when the people are restless and searching for a road to the future. The hopeful visit of Pope John Paul II to Chile causes us to dedicate our greatest effort to creating an environment of reconciliation this year. The bishops explain that the Holy See does not want to link the pope's visit to a determined political situation, and it is clear that he wants to find a fraternal church and a country full of good will, happiness, and hope, and not harshness, fear, or hate.

CARABINERO MAJOR ARRESTED IN TRIPLE MURDER CASE

PY161709 Madrid EFE in Spanish 0224 GMT 16 Jan 86

[Text] Santiago, 15 Jan (EFE) -- Carabinero Major Guillermo Gonzalez Betancourt has been arrested and is being held incommunicado by order of the special judge who is investigating the murder of three communist professionals, Manuel Guerrero, Santiago Nattino, and Jose Manuel Parada. The triple murder, which occurred in March 1985, deeply moved the Chilean public. The specially appointed appeals court judge today ordered a witness confrontation between Gonzalez and Miguel Stay Reyno, alias "El Fanta," who is accused of having been a member of a Chilean Carabineros special repression force once commanded by Gonzalez.

"El Fanta," who before becoming a security agent was a leader of the Chilean Communist Youth, according to witnesses participated in many activities of the so-called "dirty war." Estay Reyno is being held incommunicado in a Santiago prison while Major Gonzalez is being detained in the Santiago Carabineros School.

FUT RALLY TO PROTEST PRICE WAGE INCREASES

PA160425 Paris AFP in Spanish 2204 GMT 15 Jan 86

[Text] Quito, 15 Jan 86 (AFP) -- The Ecuadoran police today suppressed antigovernment protests which occurred for the third time this week in Quito. Meanwhile, the United Workers Front (FUT) has called a rally tomorrow against the increase in the cost of living. Today's demonstrations were a continuation of last weeks's incidents in which 4 participants were injured, 50 arrested, and police used clubs, water hoses, and tear gas to restore order and clear the streets leading to the center of the capital of the demonstrators' smoking barricades. The government has said there is no reason for the protests, denying that there will soon be an increase in the price of fuel.

Acting Education Minister Eudoro Loor has announced that classes will be suspended until further notice at the Jose Maria Sanchez, Rafael Larrea, Santiago of Guayaquil, and Mejia Schools, whose students participated in the demonstrations.

Leaders of the workers', students', and teachers' organizations have said that an anti-popular policy exists, characterized by the violation of human rights and repression, and that price increases have been unleashed since President Leon Febres Cordero implemented a 17.6-percent wage increase at the beginning of this year. These leaders have demanded higher salaries, stating that the wage increase is not enough to cover the new price increase and that it is below the 25-percent inflation rate experienced in 1985.

Jose Chavez, Ernesto Alvarez, Ramiro Beltran, and Luis Tinoco, presidents of the FUT and of the Ecuadorean Confederation of Free Union Organizations (CEOSL), the People's Front (FP), the National Union of Teachers (UNE), and the Federation of Ecuadoran University Students (FEUE), respectively, have called a "single great meeting" for tommorrow. They announced that there will be similar demonstrations throughout the country to "reject the regime's antipopular policy, the permanent violation of human rights, and the brutal police repression that has been unleashed against the people."

The meeting will also support the seven-point platform approved last month, which includes demands for wage increases; defense of human, political, and labor rights; the right to habeas corpus; and the country's sovereignty. The particiapants in the meeting will also oppose foreign debt payments and IMF recommendations and will demand the abrogation of the National Security Law.

Last week's protests took place in various areas of Quito, particularly those near the Central University, whose authorities complained to the government about the presence of soldiers on the university grounds and protested the violation of the university's autonomy.

DROP IN LONG-TERM OIL PRICES 'GROWING'

PA152336 Buenos Aires REUTER in Spanish 0225 GMT 15 Jan 86

[Text] Quito, 14 Jan (Reuter) -- Ecuador said today the drop in its long-term oil prices on the market is growing, but it expressed hope that the situation will change soon.

Energy Minister Fernando Santos Alvite [as received] said that from January to November 1984 Ecuador sold its crude at an average price of $26 per barrel; in December it dropped to $24.20; and in the first 2 weeks of this year it fluctuated between $24.20 and $24.30 per barrel.

Ecuador, a marginal partner in OPEC, presently sells 127,000 barrels daily (BPD) by long-term contract. In August it dropped the practice of fixed prices for its sales and adopted the system of fixing the price on a daily basis based on market fluctuations.

"The oil maket is quite weak, and it may remain so until the end of February," the official said at a news conference. He added that Ecuador is waiting for a definition of the situation at the upcoming meetings of a special OPEC committee and the cartel's oil ministers in the next couple of months.

"We are optimistic that OPEC will draft a strategy designed to stabilize the market and that the nonmember nations of the organization will have thought it over and concurred that it is the task of all producers to achieve that stability," he noted.

Santos Alvite added that a further weakening of the crude prices or their collapse would be harmful to the 13 OPEC partners, as well as to the nonmember producers and the world economic system in general.

"In the upcoming OPEC meetings, Ecuador will propose drafting a price structure more harmonious with the market, taking into account the real forces, not merely the speculative ones. We believe that the idea of adopting an average crude price as a reference is postitive, in principle," he concluded.

REPUBLICAN NATIONAL COALITION REGISTERED AS PARTY

PA161719 Quito Voz de los Andes in Spanish 1130 GMT 16 Jan 86

[Text] A political party is once again officially operating in this country, as the Supreme Electoral Tribunal has recognized and ordered the registration of the board of directors of the Republican National Coalition [CNR, Coalicion Nacional Republicana], after approving the report submitted by the Juridical Commission, which states that the requesters have presented the documents required by the Law on Political Parties.

This party was formerly known as CID [Democratic Institutionalist Coalition], and its national head is Guillermo Sotomayor.

MINISTRY ISSUES COMMUNIQUE ON KENNEDY REMARKS

PY160232 Asuncion LA TARDE in Spanish 15 Jan 86 p 10

[Text] The Interior Ministry this morning released the following communique on the statements by U.S. Senator Edward Kennedy:

Concerning the statements that U.S. Democratic Party Senator Edward Kennedy has made over Paraguayan radio stations in conversations with some alleged exiles like Gonzalez Casabianca, Saguier, and others in the Argentine capital, Interior Minister Dr Sabino Augusto Montanaro, the first vice president of the Colorado Party executive board, has stated:

We once again reiterated that we firmly and categorically reject the statements and the attitude of U.S. Senator Kennedy. We believe that before passing judgment on the institutions and the government of the sovereign and independent Paraguayan Republic, the U.S. senator should tell the Paraguayan people about the circumstances in which he let his secretary drown in Chappaquiddick to conceal that he had spent a weekend with her. That strange event, for which few explanations have been given despite the fact that it was a clear violation of human rights, was committed right there in Washington, the capital of the United States. [as published]

But there is still more: We would like to know whether Mr Kennedy knows or whether he has ever been told about the massive human rights violations committed in Paraguay when the Paraguayan youth were machine-gunned in front of the Lopez Palace on 23 October 1931, for the "serious crime" of having demanded that the Chaco be defended. At that time, the Liberal Party was in power.

Does Mr Kennedy know the list of the dead and injured, who were young high school students and girls from the school of education? Does Mr Kennedy know the bloody human rights violations committed on 7 March 1947, when innocent people were either killed or injured as Febrerista Party followers attacked the Asuncion police headquarters on another gray and bloody morning for the Paraguayan capital?

Does Mr Kennedy know the human rights violations with murders and crimes committed by followers of the Febrerista, Liberal, and Communist Parties in their bandit-like raids of Alto Parana and Ybytyruzu in 1959 and 1960, which are among the "actions for liberation" for which his interlocutors at the Buenos Aires Sheraton Hotel yesterday are responsible?

Does Mr Kennedy believe that Paraguay is a Central American or a Caribbean banana republic or that it is like the state [as published] of Puerto Rico, which the United States handles as appendixes to the U.S. Administration?

We reiterate that Paraguayan problems will be solved by Paraguayans, and that under the legitimate leadership of His Excellency the President of the Republic, Army General Alfredo Stroessner, who has championed the Colorado Party program and principles from the Lopez Palace, we will continue to give the Paraguayan people peace, progress, development, and orderly democratic and republican institutions, as established in the Constitution. The Paraguayan Constitution is another achievement by Paraguayans and for Paraguayans, even for those who are now begging for foreign intervention to satisfy their lust for power because of their well-known lack of popular support.

MINISTER DISCUSSES NATIONAL ACCORD, DIALOGUE

PY162137 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 16 Jan 86

[Text] Here are the statements made by Interior Minister Sabino Augusto Montanaro.

[Begin recording] [Montanaro] Every day we read the newspapers -- morning dailies and evening dailies -- and listen to numerous radio stations that cover the opinions and statements of my fellow Colorado Party members and members of the opposition parties, both recognized and unrecognized, that is, the regular and the irregular parties.

They report a great national dialogue sponsored by the National Accord, which has asked the church to mediate, and by other people.

We have already stated, and we insist and reassert that we are constantly holding a dialogue. You know very well that a dialogue consists of exercising democracy and not of holding secret illegal meetings and making shady deals with the opposition parties. A dialogue is held through elections. You run in the elections. You vote, and the winner exercises power. The winner governs, and the loser helps the government, and through criticism, contributes to the improved development of the democratic institutions. Dialogue lies in the ballot boxes used for general elections for president of the Republic, deputies, senators, and councilmen of Asuncion and the towns in the interior of the Republic. This is the great national dialogue, the one we sponsor and will champion, and will always implement because political parties will fully accomplish their mission only if they participate in elections and, through the seats they may win, they take part in a system where minority and majority parties share governmental responsibities. The nonparticipants are the ones who do not want to hold a dialogue. Those who do not participate in the elections, those who, aware of their lack of popular support, that is, their weak ratings within their own party cadres, fear once again that they will be exposed to lack of popular support, like the Christian Democrats, who call themselves a party when they are not a party yet. They are a Christian Democratic movement on the way to forming a party, which they will not do until they meet the requirements provided for by the Constitution and the electoral law. Thank you very much.

[Unidentified reporter] Mr Minister, does the national government provide absolute guarantees for recognized parties or even those parties that have not yet formed their cadres as prescribed by law?

[Montanaro] They have the power to do so, and we are not denying them permission or authorization to publish their organs, to broadcast their programs, and to assemble as often as they please in different places in the Republic.

We do ask them to inform us of the place, date, and time of their meetings, in order to guarantee them what is established by the Constitution, the right to assemble so that they are not harassed and caught by surprise by their own fellow members who sometimes are the ones who ask that a meeting be suspended because of internal party conflicts. We provide guarantees, and we inform the authorities in the interior of the country to provide them guarantees. Thank you very much. [end recording]

MRTA GUERRILLAS PROTEST KENNEDY VISIT

PY161814 Paris AFP in Spanish 1725 GMT 16 Jan 86

[Text] Lima, 16 Jan (AFP) -- The Civil Guard has reported that a Tupac Amaru Revolutionary Movement (MRTA) guerrilla commando today occupied Radios Onda Popular and Exito in Lima and broadcast a subversive recording against the visit of U.S. Democratic Senator Edward Kennedy.

A manager of the radios, which operate together in a building located in the residential district of Miraflores, said that approximately seven young armed individuals entered the premises at 1615 GMT and held approximately 12 persons at gunpoint, including secretaries and employees.

SHINING PATH KILLS 5, STEALS DYNAMITE, ARMS

PY160028 Paris AFP in Spanish 1556 GMT 15 Jan 86

[Text] Lima, 15 Jan (AFP) -- Police reported here today that a Shining Path column has shot and killed four peasants and a professor in the remote district of Huayllapa, and that a subversive leader was killed when dynamite he was carrying went off in Puno.

The source said that some 25 terrorists, armed with submachine guns and revolvers, raided Huayllapa in Ancash Department on January 13, 400 km northeast of Lima, forcing five people out of their houses, and executing them in the presence of their relatives. The terrorists, who charged the five with opposing the armed struggle, looted stores and houses and then fled after seizing an undetermined number of cattle.

Meanwhile, in Puno, 1,315 km southeast of Lima, student leader Justo Pastor Castillo, 31, died on 14 January during a 7-hour operation at a hospital. He sustained extremely serious injuries when a bomb, which he was apparently going to use for a terrorist attack, went off.

Castillo, known to be the leader of a political group called Pukallacta (Red People), a radical splinter of the Communist Party, lost his left arm and left leg and sustained serious injuries over almost all of his body.

The Puno Civil Guard antisubversive squad has reported that among his papers, Castillo carried a coded document, which police are trying to decode, and that the Pukallacta group has apparently staged terrorist actions jointly with the Shining Path.

Castillo, who until 1985 was the president of the Universidad Nacional del Altiplano student federation, was arrested on terrorist charges in June 1985, and held a Fronton Prison in nearby Callao port. He was prosecuted but found not guilty and was released on 26 September 1985.

In Huancayo, 300 km southeast of Lima, on 14 January a terrorist cell held up a truck in Huaribambilla and seized 4,500 dynamite sticks.

In the area known as Jaratu (Huancayo), in the high Andean Plateau, a patrol tracking terrorists on 13 January discovered 183 boxes containing dynamite, 277 boxes containing detonators, 1,700 meters of fuse, arms, and other materials which were taken to the Colcabamba police station, the source added.

Finally, in two separate actions, armed Shining Path members held up two electoral registry offices in the Miraflores district of Lima, and in Huancayo, seizing 390 blank electoral cards.

POLICE RAID 'TERRORIST CLINIC' IN LIMA

PY161312 Lima Panamericana Television Network in Spanish 0200 GMT 16 Jan 86

[Excerpt] Police have raided an alleged clinic for terrorists that was located in an apartment of the Los Cipreses housing unit. In the raid, police found four injured people, and the body of a woman. Four arrests were made, and police confiscated a large amount of subversive materiel and Shining Path propaganda.

The police summoned the judge and the attorney general to the scene so they could order the transfer of the injured and the removal of the body. Pertinent investigations are being carried out in complete secrecy.

BRIEFS

NEW AMBASSADOR APPOINTED -- The government has appointed four new ambassadors. Jose Urrutia will be the new Peruvian ambassador in Yugoslavia; Luis Solari will be Peruvian ambassador in Italy; Guillermo Nieto will be Peruvian ambassador in the ROK; and Javier Ortiz will be Peruvian ambassador in Panama. [Summary] [Lima Radioprogramas del Peru in Spanish 2300 GMT 14 Jan 86 PY]

COPPER PRODUCTION FIGURES -- In 1985, copper production yielded $360 million in revenues. It has been noted that in 1985, the mining sector produced a total of $675 million and that of this total, the copper sector produced $440 million. [as heard]. [Excerpt] [Lima Radioprogramas del Peru in Spanish 2300 GMT 14 Jan 86 PY]

EEC COMMISSIONER CHEYSSON MEETS DE LA MADRID

FL162116 Mexico City NOTIMEX in Spanish 0415 GMT 16 Jan 86

[Text] Mexico City, 15 Jan (NOTIMEX) -- The Contadora Group's peace-keeping efforts in Central America have the support of the members of the EEC, Claude Cheysson, EEC commissioner for international cooperation, has stated.

Cheysson was received in private audience by President Miguel de la Madrid, with whom he discussed diverse matters of international interest, including the Latin American foreign debt, peace in Central America, and EEC cooperation with Latin America and Mexico.

Claude Cheysson announced that the EEC will soon make public a new declaration of support for the Contadora peace-seeking activities, adding that the European community continues to give priority attention to the problem of Central America.

Commissioner Cheysson said that the Caraballeda declaration, which clearly defines the guidelines for alleviating the Central American situation, and the Guatemala declaration, issued yesterday by the foreign ministers of the region, constitute clear proof of the political will to establish a climate of peace and cooperation. He added that last November the EEC signed an agreement establishing a program of cooperation between the EEC and the Central American countries.

In his conversation with President De la Madrid, Cheysson analyzed the perspectives of the next round of negotiations with GATT which, he said, offer the possibility of improving the international economic situation, and he referred to the advantages Mexico will enjoy when it joins GATT.

At the meeting, which Foreign Relations Secretary Bernardo Sepulveda also attended, it was agreed that it is advisable to draw up new cooperation programs and projects between Mexico and the EEC, in addition to revising existing programs and projects. Cheysson arrived in Mexico from Guatemala. During his audience with President De la Madrid, he expressed interest in learning the points of view of the Mexican Government on the major subjects of international interest and on the relations between the EEC and our country.

Cheysson will remain in this capital until tomorrow, Thursday, to meet with secretary of finance and public credit Jesus Silva Herzog, Energy Secretary Francisco Labastida, Commerce Secretary Hector Hernandez Cervantes, and the director of the Bank of Mexico, Miguel Mancera.

Holds Press Conference

FL170323 Mexico City NOTIMEX in Spanish 2245 GMT 16 Jan 86

[Text] Mexico City, 16 Jan (NOTIMEX) -- The EEC has offered aid amounting to several million dollars for the reconstruction of Mexico City and for the return of Guatemalan refugees who are settled on the southern Mexican border, EEC Commissioner for Latin America Claude Cheysson announced today.

Cheysson, who is visiting Mexico, reported at a press conference that the amount to be given to repair the damages caused by last September's earthquakes in Mexico will be determined after examining existing projects but he pointed out that priority will be given to hospitals.

He asserted that during yesterday's meeting with Mexican President Miguel de la Madrid, he expressed the interest of the European countries for the Guatemalan refugees settled in Mexico to return to their country since Guatemala has returned to democracy.

He indicated that he discussed with the Mexican head of state future meetings of the EEC bilateral commission for the development of marketing studies aimed at broadening cooperation between Europe and Mexico.

He underscored the pressures placed by the international community to find solutions to the Central American crisis and said that if the European countries would have not given their support to the peace process, war would have already broken in that area.

After strongly criticizing those who finance and support terrorism, Cheysson noted that cooperation between the EEC countries' security systems will be maintained to combat terrorism. He asserted that new terrorist acts have been avoided, and some people involved in terrorism have been apprehended because of this cooperation.

Regarding the economic boycott imposed by the United States against Libya, he reiterated the EEC's position on opposing countries taking unilateral decisions. He said the UN Security Council is the only body that can take that kind of decision. He added that it is very dangerous to make threats that will not have good results and that can be avoided.

He reiterated the EEC support to the peaceful solution of the Central American conflict and indicated that European economic aid will not be useful until there is peace in the area.

He said that although the EEC has not made public its view on the Baker Plan, he gave his personal opinion and asserted that it is an important improvement of U.S. policy regarding Latin America's economic problems.

He indicated that it is a program that should be completed by the Latin American countries and believed that the $20 billion aid is insufficient.

The EEC commissioner for international cooperation paid a private visit to Energy, Mines, and Parastatal Industry Secretary Francisco Labastida Ochoa, with whom he discussed international matters.

OFFICIALS MEET WITH VISITING BELIZEAN MINISTERS

FL160407 Mexico City NOTIMEX in Spanish 0337 GMT 16 Jan 86

[Text] Mexico City, 15 Jan (NOTIMEX) -- Today, Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa met with Belizean Ministers of Energy and Industrial Commerce Israel Alpuche and Dito Juan [as received] and discussed matters of bilateral interest.

Energy Under Secretary Jose Luis Alcudia Garcia, chief of technical support for international matters Liborio Villalobos Calderon, and director general of international transactions for energy of parastatal industries Hector Alvarez de la Cadena, were present at the meeting.

Likewise, other officials from Pemex, the federal commission of electricity, and Mexican Ambassador to Belize Manuel Martinez del Sobral were also present.

TRADE WITH GDR DROPS 95 PERCENT IN ONE YEAR

FL162242 Mexico City NOTIMEX in Spanish 1822 GMT 16 Jan 86

[Text] Mexico City, 16 Jan (NOTIMEX) -- In 1 year, trade between the GDR and Mexico decreased more than 95 percent, dropping from $73 million in 1984 to $2 million in 1985.

The National Association of the Processing Industry (Canacintra) said that, because of this situation, Mexican exporters will participate in the next Leipzig fair in the GDR, from 16 to 22 March, to promote bilateral trade between the two nations.

During a meeting of Mexican industrialists, GDR Trade Counsellor Maxim Heim, said his country had agreed to make a special concession to Mexican exporters so they will have no expenses during their stay in the GDR.

During the meeting it was said that with Mexico's participation in the Leipzig fair, it will not only promote its products in the GDR but throughout the world and especially in the socialist countries.

NATION PREPARES FOR POSSIBLE OIL MARKET COLLAPSE

FL160105 Mexico City NOTIMEX in Spanish 0340 GMT 15 Jan 86

[Text] Mexico City, 14 Jan (NOTIMEX) -- The economic consultant firm Business Trends [preceeding two words in English ] has asserted that Mexico is taking measures in the event of a possible collapse of the international crude oil market.

It indicated that the measures consist of providing cheaper labor to attract foreign investments and assembly plants to the country.

It pointed out that the Mexican Government and New York banks are aware that in case of a collapse of the oil market, a suspension of payments will be requested and granted, inasmuch Mexico is not able to make foreign debt service payments.

The firm added that Mexico is too important for the U.S. strategic and business interests to neglect it.

GOVERNMENT ANNOUNCES NEW ANTIDRUG OPERATION

PA161238 Mexico City EL DIA in Spanish 11 Jan 86 p 6

[By Jose Garcia Segura]

[Text] The Office of the Attorney General will initiate an intensive mobilization of human and material resources in the four most troublesome states of the country, because of the scale on which marijuana is being planted, processed, stored, traded, and distributed in those four states.

The Coordinating Board of the Permanent Campaign Against Drug Traffic, has stated that last year's activities against the drug traffic cannot be compared with the actions that the attorney general's office will undertake in the states of Sinolaoa, Sonora, Chichuahua, and Durango.

In Chihuahua, in a single operation carried out on 9 November 1984 with the Army's support, the Mexican police destroyed the most impressive prepared [empaquetada] shipment of marijuana to date, which is known to have belonged to drug trafficker Ragael Caro Quintero.

Last August, Mexican federal agents clashed en masse with drug trafficking bands. Statistics show that over 400 federal agents and some 500 soldiers, as well as state and municipal policemen, participated in this operation.

Some 82 helicopters, small planes, and passenger planes will travel to Sinaloa. Several reconnaissance flights have already been made over more than 100,000 km of mostly mountainous country.

Some 20 so-called "main bases" are located in Culiacan, Mazatlan, Navojoa, Guasave, Guachochic, Parral, Choix, Tepehuanes, and San Jose de los Llanos, These bases will allow the military and the federal agents to expand their field of action.

Official sources have reported that some 200 million pesos will be invested in the new antinarcotics operation.

The Drug Control Directorate reported that as of last year, a little over 3,000 poppy fields and almost 6,000 marijuana fields had been located. Vehicles, prepared marijuana, seeds, and short- and long-range weapons of various calibers were confiscated.

DELVALLE RETURNS FROM GUATEMALA; VIEWS CONTADORA

PA161746 Panama City Televisora Nacional in Spanish 0000 GMT 16 Jan 86

[Text] President Eric Arturo Delvalle today attended a working breakfast with Guatemalan President Vinicio Cerezo in the course of which important agreements were reached. Presidents Jose Napoleon Duarte of El Salvador, Belisario Betancur of Colombia, Daniel Ortega of Nicaragua, and Honduran President-elect Jose Azcona del Hoyo also attended the meeting.

Later, President Delvalle and his party were seen off by President Cerezo and he boarded a Panamanian Air Force plane to return to Panama.

Back in Panama, President Delvalle made the following statement:

[Begin recording] For me, the most important thing during this entire trip was the so-called Guatemala declaration, in which the five Central American countries, through their foreign ministers, last night ratified the Caraballeda agreement. For us, this is renewed cause for faith in the fact that Contadora is alive and that it remains the method and the path to achieving peace in Central America through dialogue. [end recording]

NORIEGA SAID TO PROMOTE GOVERNMENT JUNTA

PA161738 Panama City QUIUBO in Spanish 16-23 Jan 86 p 4

[By Wilfi Jimenez]

[Excerpts] Word that the Panamanian National Defense Force's leadership is probing the possibility of installing a government junta under the umbrella of the publicized "Great National Agreement" that would unite the government and opposition sectors spread like wildfire among the national political sectors this week.

According to information gathered by QUIUBO from political, business, and military sources, the "junta" would be composed of Rodolfo "Popito" Chiari, Harmodio "Harmodito" Arias, and Bolivar "Boli" Pedreschi.

This weekly's reporters were able to confirm, through a source close to one of the proposed members of the junta, that General Noriega himself "had mentioned the matter" at his beach house in Farallon. At his beach house, accompanied by Government Minister Rodolfo Chiari and General Directorate of Community Development Director Cesar Augusto Maylin, Gen Noriega explained that the purpose of placing the government in the hands of a "junta" would be to end the "political deadlock" that has brought the country to a dangerous standstill in which the national economy is practically paralyzed. This situation could place us on the verge of violence like the one being experienced by our Central American neighbors.

The sources said that the triumvirate proposed by Noriega would be in office for a couple of years. During the first 6 months in power, the triumvirate would convoke a constituent assembly and lead up to general elections -- president, vice presidents, deputies, and mayors -- before its 2-year term ends.

It is said that Gen Noriega could be the "sure candidate" for the president and that Tomas Gabriel "Fito" Altamirano Duque could be one of the vice presidents.

QUIUBO was able to establish that "contacts" have been made with at least three groups of the opposition. Directly or indirectly, the military men, or their inseparable companions, have "talked " with members of the Christian Democratic Party, the Authentic Panamenist Party, and the Authentic Liberal Party. It seems that there exists "a certain favorable environment" to reach the so-much talked about "Great National Agreement" to "patriotically overcome the current economic, social and political crises experienced by the country."

If an "agreement" with the Arnulfistas [followers of Arnulfo Arias Madrid] is reached, some leaders of the Authentic Panamenist Party will convoke a national convention to appoint a new directorate. Arnulfo Arias Madrid would not be a member of this new directorate; however, he would be given the title of "perpetual president" but with no decision-making power. This would ensure the party's participation in the "Great National Agreement."

In conclusion, it seems that this matter has "the gringos' o.k." They would support Noriega's effort if this ensures "peace in the canal area."

EDITORIAL SUPPORTS NORIEGA ON TORRIJOS 'ERROR'

PA160354 Panama City CRITICA in Spanish 13 Jan 86 p 4

[Editorial: "Political Power and Economic Power"]

[Text] General Torrijos' great mistake was leaving the economic power untouched following the 1968 coup, in which patriotic military men and civilians ended the arrogance of a corrupt and submissive oligarchy, at which history clearly points an accusing finger. Today's generation only has to recall the past (as one should) to learn of all the ill-gotten wealth accrued, and all the scandal and human misery caused by many "blue-bloods" whose heirs have forgotten, as if their present fortunes were the result of honesty and good citizenship.

For the record, CRITICA is and has always been Torrijist, although that does not mean that it does not acknowledge "the great error" of the dead leader. However, analyses, treaties, and other reflections on the realities of the October epic inevitably lead to the fact that all revolutions become crippled if the political and economic powers are not balanced.

Proof of this is the present reality. The great commercial and merchant consortiums seem not to care about the country if they can increase their partisan demagoguery. That is why they defy the official institutions without caring about the consequences. They cannot tell the difference between local politics and the fatherland, or see that one can speculate and improvise with local politics, but never with the national interests. Herein lies the present great danger.

Based on foregoing, CRITICA totally agrees with General Noriega when he says that we are being bombarded by unthinking economic terrorism that conspires against peace. The same goes for President Delvalle, when he lashes out at known groups for "irresponsibly using financial difficulties to feed selfish political interests." CRITICA concludes: If we know where the evil is, why not start to attack it?

## COSTA RICA

### MONGE SUGGESTS DEBT POLICY IN NEW YEAR'S MESSAGE

PA160038 San Jose LA NACION in Spanish 6 Jan 86 p 6

[Text] In his New Year's message via television last night, Costa Rican President Luis Alberto Monge said 1986 will be a good year for the homeland.

He said the Costa Rican people's civilist traditions of progress in peace should be guarded from foreign forces and party emotions.

Although he advocated every Costa Rican struggling for his own party, Monge demanded that everyone join the president-elect after the election is over in order to consolidate democracy.

He stressed the efforts carried out by his administration and pointed out that his government "has held the responsibility of leading a country far different from what it was in 1982."

Mentioning some social and economic progress indicators, Monge announced that he will meet with the president-elect when the Supreme Electoral Tribunal (TSE) so orders to continue an exemplary tradition.

Regarding his government's treatment of the foreign debt, the president suggested that the debt be refinanced as soon as the new president is elected to promote national development even further. He added that a good goal would be to earmark $0.25 out of each foreign aid dollar to finance national development. This would total approximately $112 million (about 6 billion colones).

Later, Monge described some of the country's most important achievements abroad. He mentioned his trip to Europe in 1984 and the fact that a local initiative to declare 1986 the International Year of Peace was welcomed at the United Nations.

He said: "We have not solved all of the problems, but we have considered them all. We have moved far enough from the brink of ruin, where we stood in May 1982."

### DEBT RENEGOTIATED WITH PARIS CLUB MEMBERS

PA170219 San Jose Radio Reloj in Spanish 1200 GMT 15 Jan 86

[Text] Ennio Rodriguez, Costa Rican counselor for finances and the external debt, has announced the signing of debt renegotiation agreements with the friendly governments that are members of the Paris Club. He said the renegotiation includes all mature capital payments from 1 January 1984 to 31 March 1986. Rodriguez said the basic conditions for renegotiation were agreed upon and will be followed through bilateral agreements with the debtor [as heard] countries, including the United States, France, Germany, the UK, Japan, and Canada.

The bilateral debt renegotiation agreement with Germany was signed yesterday in San Jose by authorities of the two governments. That debt totals 186 million Deutsche marks or $35 million. On 30 January a similar agreement will be signed with the UK in London by representatives of that country's government and the Costa Rican Embassy in that country.

The debt with the UK totals 170,000 pounds, approximately $240,000. Agreements with the other debtor [as heard] countries will be signed at a later date.

## EL SALVADOR

### FDR-FMLN COMMUNIQUE ON ALLEGED U.S. INTERVENTION

PA160332 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Jan 86

["Press Communique" released by the FDR Executive Committee and the FMLN General Command dated 9 January]

[Text] At 1600 local time on Tuesday 7 January a clash occurred between FMLN forces and Cusctlan Battalion at Cerro La Ventana, Jucuaran jurisdiction. The Government forces requested assistance and a U.S. warship fired three rounds against the area but did not cause any casualties. This serious violation of our sovereignty is just another step in escalation of the U.S. military intervention and constitutes a grave precedent of direct foreign intervention.

Our fronts have alerted the public. We appeal to all national and patriotic sectors to vigorously reject this attempt at a direct intervention by foreign forces. At the same time, we demand that the Legislative Assembly: 1) explain to the Salvadoran people whether it has authorized the presence of U.S. war vessels in Salvadoran waters; and 2) explain to the Salvadoran people whether it has authorized foreign military forces to fire against our territory.

We remind the deputies that the Constitution they swore to abide by and that allegedly rules over them establishes, according to Article 131, Paragraph 29, that the country will permit or refuse the passage of foreign troops through national territory and the stationing of foreign warships or aircraft in this territory for longer than set forth in international treaties or practice. In addition, we remind Napoleon Duarte and the deputies that not even dictator Hernandez Martinez resorted to accepting help from a U.S. warship that offered its services when the dictator massacred the people to crush the 1932 peasant insurrection.

[signed] FDR Excutive Committee, FMLN General Command

El Salvador, Central America, 9 January 1986

### OCHOA SAYS MILITARY CONTROLS CHALATENANGO ROADS

PA161621 San Salvador Radio Cadena YSU in Spanish 1800 GMT 15 Jan 86

[Text] According to Colonel Sigifredo Ochoa Perez -- commander of the 4th Infantry Brigade, based in El Paraiso, Chalatenango Department -- the troops of that military detachment combed the areas of Miramundo, Los Planes, and San Fernando. Regarding this, Col Ochoa Perez said the following:

[Begin recording] [Ochoa Perez] We have destroyed a few small camps near (Plan del Horno del Trigal). These camps had people who had just arrived and had been moving into (Mesa Grande) from Honduras, but we have totally wiped out two small camps. Apparently the guerriallas who had entered from Honduras through that area sustained many casualties. That is what we have to report. We are also in control of streets and roads to prevent any attack on the transport services.

[Espinosa] Colonel, did other battalions participate in this action?

[Ochoa Perez] Only one of our battalions in the brigade here.

[Espinosa] How long was this operation, Colonel?

[Ochoa Perez] It began (?the day after) the march. I think it was on Wednesday, right?

[Espinosa] Right, on Wednesday.

[Ochoa Perez] It began on Wednesday last week and lasted until yesterday, when the battalion returned. They left through Dulce Nombre de Maria and have spent 1 week thoroughly combing that entire area.

[Espinosa] Did you seize any war materiel, Colonel?

[Ochoa Perez] Only a certain number of mines, which we must explode because we cannot bring them back. It was mostly explosive material, and only two rifles.

[Espinosa] M-16 rifles?

[Ochoa Perez] Yes. We also destroyed one of their vehicles. Some terrorist commander who looked like a foreigner was riding in it. The vehicle had been stolen and it was destroyed in combat. I think several died there because when we checked the vehicle it was splattered with blood. Today they will bring me some photographs of that. We later realized that the vehicle in question had been stolen from the Livestock Ministry, but a bazooka blast hit it during the fighting. Presumably there was a foreign commander riding in it. (?We already knew about that), so we destroyed it.

[Question indistinct]

[Ochoa Perez] It was a Toyota Land Cruiser. [end recording]

Finally, Col Ochoa Perez said the troops of Military Detachment No 1 are in control in La Laguna, [name indistinct] Road, La Reina, Agua Caliente, and other neighboring villages.

REBELS CLAIM 39 ARMY CASUALTIES IN 4 DAY

PA160412 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Jan 86

[Text] Pay close attention. In 4 days of operations on Guazapa Hill our units have inflicted the following blows on the dictatorship's troops in the central zone: On 12 January at 0530 an ambush with mines took place at the entrance to San Salvador at km 10 on the Northern Trunk Highway. We do not have the exact number of wounded and dead in this ambush. In upcoming broadcasts we will provide more details.

Meanwhile, in these 4 days we have inflicted 18 casualties on the Belloso Battalion. We have also inflicted 7 casualties on the 1st Infantry Brigade. In 3 days a total of 10. [sentence as heard] In subsequent clashes we have inflicted 25 casualties in the areas of La Cruz, Santa Ines, and the northern part of the Ramirez hamlet located in the San Jose Guayabal area.

We have inflicted 25 casualties on the dictorship in that central part of El Salvador.

According to the latest reports received by Radio Venceremos, we have inflicted 39 casualties on the dictatorship's forces in various parts of the country. According to the war bulletins we have read that come from various parts of the country, we have inflicted 39 casualties on the dictatorship's forces.

RIGHT, LEFT WINGS SEEKING TO DESTABILIZE REGIME

PA160406 San Jose RUMBO CENTROAMERICANO in Spanish 27 Dec-2 Jan 86 pp 10, 11

[Article by Armando Contreras]

[Excerpts] "It's either us or a dictatorship." This statement by Salvadoran Culture and Communications Minister Julio Adolfo Rey Prendes might sound arrogant, distorted, or presumptuous to many people in that war-torn nation.

To us, however, the statement simply expresses a fact about that country: Either the Christian Democrats (DC) rule, or the conservative groups will eliminate all traces of the democratic experiment which, under the auspices of the United States, the DC has tried to strengthen since the 1982 constitutent elections.

Whatever interpretation is given to this statement, or whichever way you look at it, there are no doubts that the institutional stage this nation is undergoing at the moment is crucial for its future as a democracy. The economic situation, and the struggle against the guerrillas, particularly the FMLN, merely confirm this.

That is how Rey Prendes views it. Concerned about the waves of labor unrest -- with the repercussions from several workers strikes during the year -- Rey Prendes stated: "El Salvador could fall into a frightening right-wing dictatorship if the Christian Democrats are overthrown."

He said: "There is currently an offensive from the extreme right and left wings to destabilize this democratic government, and they seek any pretext to organize labor movements."

Rey Prendes added that the government cannot be demagogic or promise what it will not be able to fulfill regarding wage increases. Public employees should understand that with such actions they only play the game of the extreme right wing and, of course, the game of the left wing too, he said.

The official explained that the extreme right wing hopes to cause a crisis and then promote a coup d'etat with the argument that the Christian Democrats are inacapable of directing the government.

They want "to turn things back to the way they were" to denationalize the banking sector, eliminate all progress in agrarian reform, and denationalize the internal and external coffee trade in order to impose a policy in line with their own interests, he said.

Asked if he believes that all of these movements are ideological or whether they are labor-related and actually a reflection of the popular clamor against the high cost of living, Rey Prendes said no. "I do not believe that all of them are destabilization attempts; however, it cannot be denied that there has been FMLN infiltration in some unions," he said.

"I have not invented this," he pointed out. "This has been stated by arrested leaders who have confessed that the FMLN's strategy is to penetrate the masses."

## GUATEMALA

### C. AMERICAN PRESIDENTS TO MEET AGAIN IN EARLY 1986

PA152154 Panama City Domestic Service in Spanish 1820 GMT 15 Jan 86

[Direct report from Guatemala by News Director Demetrio Olaciregui -- live or recorded]

[Excerpt] Panamanian President Eric Delvalle ended his 2-day official visit to Guatemala at a working breakfast hosted by President Vinicio Cerezo. The breakfast was also attended by Salvadoran President Napoleon Duarte, Nicaraguan President Daniel Ortega. Uruguayan Vice President Enrique Tarigo, and Honduran President-elect Jose Azcona.

According to reports gathered by Radio Nacional, the following topics were discussed during the work breakfast: the convocation of a summit of Central American presidents, possibly at the end of February in the religious city of Esquipulas, a border city between Guatemala, Honduras, and El Salvador; the establishment of a Central American parliament; and a summit of Latin American heads of state in Panama.

At the end of the work breakfast at the presidential house, which was hosted by President Cerezo, the Salvadoran president said:

[Begin recording] We talked about recognition of the people of Guatemala, recognition of the Guatemalan Armed Forces for the effort they made. I offered the premise that fundamental changes can be brought about by violence or by will. Guatemala achieved democracy by willing it; the Guatemalan people and Armed Forces' willed it. Considering this state of affairs, we have gladly come here to share this feast with the Guatemalan people.

On another matter, we talked about the meeting of Central American presidents. We have already agreed to hold a meeting. All the presidents have agreed to meet in Esquipulas, but of course the date will be set after the elections in Costa Rica. Logically, we must wait for them. The topic will then be.... [changes thought] Here in Guatemala, the Guatemalan president will send to each of us a list of the topics to be discussed. Moreover, we have also talked about a Central American parliament and the possibility of starting negotiations on creating such a parliament.

To end, we also discussed the possibility of holding a summit meeting of presidents in Panama. All of us expressed our commitment to it. [end recording]

The work breakfast, attended by the presidents of El Salvador and Nicaragua and the representative from the recently elected Honduran government, provided the opportunity to start top-level actions to achieve Central American integration and agreement. Presidents Duarte and Ortega talked during this breakfast. This is the first time in 4 years that these two leaders have met. On this matter President Duarte said:

[Begin recording] [words indistinct], we discussed matters, which, I repeat, involve and promote a search for harmony [words indistinct]. Therefore, there was no individual proposal. [end recording]

Moreover, Honduran President-elect Jose Azcona was interviewed at the end of the working breakfast with President Cerezo and the other Central American presidents. He talked about the aid the United States is giving the counterrevolutionaries fighting the Nicaraguan regime. The Honduran president-elect said that matter is not within the purview of the new Honduran Government, but rather of the U.S. Congress.

[Begin recording] [Azcona] That matter is not within our purview. However, the signing of that communique does imply that the talks on the Contadora and Support Group initiative are going to be reactivated.

[Olaciregui] Suazo Cordova has challenged your government to withdraw the foreign military advisers and counterrevolutionaries. Will you be able to do that?

[Azcona] Well, it all depends... But, regarding the foreign military, a treaty was signed in 1954 for U.S. military assistance. This treaty is still in force and was ratified by the Honduran Congress, which is the sovereign representative of the Honduran people. At present, there are several protocols pending discussion at the Honduran Congress regarding this. If, genuinely representing the people, the National Congress approves these protocols, then the executive branch will abide by its decision. If Honduras signs the Contadora documents, we will strictly, respectfully, and faithfully abide by the contents of the document. Honduras is a republican country with a neutral policy. We strictly respect the independence of the state powers. [end recording]

In addition, Nicaraguan President Daniel Ortega said that during his visit to Guatemala a political victory was attained, not for Nicaragua, but for peace. Ortega invited the U.S. President to listen to the voices of Central America and Latin America and to cease his efforts to support the Nicaraguan counterrevolutionaries. Ortega also extended an open invitation to President Reagan to officially visit Nicaragua, speak with the Nicaraguan people, and get in touch with the people at large through the news media, but without any troops.

[Begin Ortega recording] I don't want to speak of a Nicaraguan political victory. I (?want to stress) a political victory for Latin America, Central America, and all our peoples. We want a political victory for peace. The United States and President Reagan should not feel concerned about this because it is peace that would triumph. The United States and President Reagan should not feel ashamed of changing their stance because such a change is natural for honest and worthy people. The United States now has the opportunity to change its wrong policy in Central America, particularly in Nicaragua, and to cease its policy of aggression and terrorism. Now it has the opportunity to stop requesting financial aid for mercenary forces. Only then would the United States be casting a vote for peace. [end recording]

President Ortega deemed as outstanding the new effort of the Contadora and Support Groups right after the Caraballeda statement and their message for peace and security in Central America. He also said that the Central American governments' signing of a note of adherence to the Caraballeda document strengthens the Contadora Group efforts. He said, however, that the U.S. Government should also support this effort.

[Begin recording] [Ortega] ...the U.S. support for this effort. We will go a step further and propose to the U.S. President that the United States and Nicaragua sign a commitment to the points included in the note and to their simultaneous implementation. It is fundamental that the United States assume a constructive stance because this is not really a problem among Central Americans.

The United States has created friction and concealed its actions behind the Central American people, trying to make this conflict appear as one among Central Americans. The truth is that this is a conflict between the U.S. poor policy and Central America, particularly Nicaragua. For this reason, the single most important factor here is the Unites States because it should accept this proposal and cease its policy of aggression against Nicaragua. [end recording]

## HONDURAS

### AZCONA DELEGATION LEAVES FOR 2-DAY U.S. VISIT

PA161630 Panama City ACAN in Spanish 1505 GMT 16 Jan 86

[Excerpt] Tegucigalpa, 16 Jan (ACAN-EFE) -- Honduran President-elect Jose Simone Azcona del Hoyo left this morning for Washington for a 2-day visit during which he will meet with various government officials and representatives of several international organizations and the U.S. private sector.

The new Honduran president's party includes Rosenthal Oliva (presidential designate), his private secretary William Hall Rivera, and the virtual presidency minister, Celeo Arias Moncada. U.S. Ambassador to Honduras John Arthur Ferch is also traveling with the Honduran president-elect. Yesterday, Ferch presented Azcona del Hoyo with the agenda for his trip to Washington.

### AZCONA INTERVIEWED ON MEETING WITH ARMED FORCES

PA161709 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 14 Jan 86

[Report on interview with President-elect Jose Azcona del Hoyo by Jose Dnilo Izaguirre after a meeting with the Armed Forces Superior Council on 13 January at Azcona's residence -- recorded]

[Text] [Azcona] The meeting was to bring me up to date on everything having to do with the Honduran Armed Forces, its organization, the current situation, and everything the president of the Republic should know about.

[Izaguirre] As you are preparing to become general commander of the Army, what were the most important aspects you were briefed on; what were you told about the specific duty of the military in this country?

[Azcona] As I said, it is our duty and right to learn about the operation of the Armed Forces; how well they are doing, their problems, and everything to do with them.

[Izaguirre] Engineer, specifically, what do you consider were the most important aspects of your meeting with the Armed Forces Superior Council?

[Azcona] As I already said, it was an informative meeting.

[Izaguirre] Did you discuss the issue of military maneuvers in Honduras during the interminable 9-hour meeting?

[Azcona] Well, in general terms, we discussed everything related to the Honduran Armed Forces.

[Izaguirre] Did you discuss differences with Nicaragua and border differences?

[Azcona] We discussed a little of everything.

[Izaguirre] We realize that the meeting focused on internal matters pertaining exclusively to the future president of the Republic and the military, especially on matters of security, sovereignty, and integrity. However, could you briefly sum up what was discussed in the meeting?

[Azcona] I was briefed on the situation with El Salvador and Nicaragua, the organization of the Armed Forces, the budget, and everything having to do with the operation of the Armed Forces. In general terms, that is what we discussed.

[Izaguirre] Was the issue of the contras discussed at today's meeting?

[Azcona] No, that issue was not discussed. In general terms, we discussed everything related to Nicaragua and all the other sectors.

[Izaguirre] What will your relationship with the Army be once you are president?

[Azcona] It will be a good relationship, much like our relationship with other sectors involved in the country's development.

[Izaguirre] Engineer Jose Simon Azcona is traveling today at 0800 to Guatemala to participate in the inauguration of Democrat Vinicio Cerezo, the winning candidate in the country of the eternal spring.

[Azcona] We leave for Guatemala in the morning. We will be there until 15 January -- that is, for 2 days -- and on Thurdsay we will head for Washington.

[Izaguirre] [Words indistinct] you did not go with advisers, but can you give details about this?

[Azcona] We did not discuss any issue in detail. The Armed Forces have the function of national security, the defense of our sovereignty, the defense of our national integrity, and all those things. It takes quite a long time to learn about those things. We did not discuss specifics

[Izaquirre] Asked whether the Armed Forces offered their support to his administration, Engineer Azcona said:

[Azcona] The Armed Forces said they respect the Constitution of the Republic and thus support the constitutional president of the Republic.

[Izaguirre] Was that relationship strengthened by the meeting between the Army and the president-elect?

[Azcona] Well, I do not know why that was said, because I never made statements or behaved in such a way as to imply that I am an enemy of the Armed Forces.

[Izaguirre] You talked at length with Army representatives. Is the professionalization of those people complete?

[Azcona] Well, I believe the Honduran Armed Forces have achieved great progress in regard to their professionalization and in relation to the constitutional government. In sum, I believe that our Armed Forces have made progress in all areas. The Armed Forces are made up of good Hondurans, great Hondurans who have ensured the consolidation of democracy in the country.

[Izaguirre] Engineer, one of our problems is crime. The [word indistinct] salaries for our security agents are very low. Did you discuss that?

[Azcona] No, we did not discuss specifics, as I said, but there will be a time later to discuss public security and other matters pertaining to our Armed Forces.

[Izaguirre] Will you raise salaries for FUDEP [Public Security Forces] agents?

[Azcona] (?I do not) think that they should increase in all aspects.

[Izaguirre] Engineer, who will accompany you to Washington?

[Azcona] Jaime Rosenthal Oliva, and Deputy (William Hall Rivera).

[Izaguirre] Who will accompany you to Guatemala?

[Azcona] Carlos Orbin Montoya, Dr Jorge Maradiaga, and Presidential Designate Alfredo Fortin Inestroza.

[Izaguirre] (?How come your advisers did not accompany you in the meeting with the Armed Forces?)

[Azcona] Well, because this meeting with the Armed Forces was exclusively with the president-elect.

[Izaguirre] It was rumored that members of the U.S. Army were present at that meeting. What can you say about that?

[Azcona] That was a meeting between top Honduran Armed Forces leaders and the president-elect of the country.

[Izaguirre] Did you discuss the issue of military agreements that the Congress could ratify and that others have already signed with the United States?

[Azcona] [Words indistinct] those things.

## ARMED FORCES CHIEF DENOUNCES 'TERRORIST PLAN'

PA170307 Panama City ACAN in Spanish 0017 GMT 16 Jan 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 15 Jan ACAN-EFE) -- General Walter Lopez, commander in chief of the Honduran Armed Forces, today denounced the existence of a criminal terrorist plan designed to wipe out democracy in the country. The military chief made this charge during a ceremony held to commemorate the 104th anniversary of the founding of the Public Security Force (police).

In his speech, the Armed Forces chief said that "crime and certain criminal terrorist plans are latent yet near the surface of apparent normalcy, and are waiting to surface with unusual violence precisely when the people have decided to once again tread the path of democracy."

According to Lopez, "this criminal activity has led, with dramatic overtones, to the killing of innocent citizens, the commissioning of holdups and robberies against government and private sector institutions, and the kidnapping of individuals for the purpose of collecting large ransoms."

"This situation makes it necessary for us to immediately adopt the most appropriate measures for defending the life and tranquility of the citizens. It is imperative to fulfill great duties on the basis of irreproachable conduct while relentlessly persecuting criminals and preventing crime," Lopez noted.

The military man called for correct enforcement of the law and all of its legal tools in the energetic implementation of severe sanctions, "and as the only means to eradicate the social scourge." He requested the cooperation of all citizens "in curbing these unspeakable actions, which go against the security of individuals while seeking to create turmoil in the republic through the collapse of its institutions and its laws."

Lopez explained that the military men "also have responsibilities, and we must not shirk them. Our work will be complemented by the denunciations made by the good citizens and our knowledge of the various antisocial groups and others who shield themselves under ideological issues. [no end quotation mark as received]

"My words should not be seized upon as an excuse by those who violate the law, abuse power shielded by their uniforms, or fail to act ethically and morally, because they too will be punished with the help of good citizens," Lopez continued. "I guarantee that the high command will never accept such failures because the mission of safeguarding the life and property of our citizens is based on the honor of the uniform and the military institution, which must always remain clean," he continued.

Finally, he stressed: "Neither faith nor trust in the police as guarantors of order and tranquility must be lost."

## BORDER RESIDENTS REPORT SANDINIST ENCROACHMENT

PA161459 Tegucigalpa LA TRIBUNA in Spanish 15 Jan 86 p 6

[Text] Residents of the Arenales area, where serious border incidents have taken place, have reported that the Sandinist Army has taken up positions 2 km inside Honduran territory. The sources asserted that 9 days ago Sandinist soldiers took up combat positions in the area, which is one of the most remote spots in the so-called recovered zone.

More specifically, the Nicaraguan soldiers have entered the area of El Amparo, a small community 3 km from Arenales and 2 km from the Coco or Segovia River, which serves as the border between the two countries.

Arenales is 170 km from Danli, which explains why, although there are means of ground communication, the situation only became known several days later.

The El Amparo village consists of approximately 30 houses scattered in a mountainous area. Several families have had to abandon their homes in view of the presence of the Sandinist soldiers.

The people of Arenales reported last year that counterrevolutionaries had been detected there, and this was probably the cause of the border incidents. They did not say if there were any counterrevolutionaries in the area this time, however.

## NICARAGUA

### ORTEGA SCORES U.S. AT GUATEMALA NEWS CONFERENCE

PA170100 Managua Domestic Service in Spanish 2226 GMT 15 Jan 86

["Part 1" of news conference given by President Daniel Ortega Saavedra in Guatemala City on 15 January -- recorded]

[Excerpts] [Ortega] We leave satisfied with our stay in Guatemala and with the extremely important event that took place here -- namely, the assumption of power of President Vinicio Cerezo's administration. This is an achievement for the Guatemalan people. We believe that this has begun to bear fruit not only for Guatemala, but for all of Central America, and for the hopes harbored by Latin America for a peaceful solution to the region's conflicts.

On Sunday, we learned about a declaration issued by the Contadora Group and the Support Group in Caraballeda -- Caraballeda, Venezuela. This document proposes, as key elements, simultaneous actions which create conditions for advancing in the negotiating process leading to peace in Central America.

Therefore, Latin America again established a position favoring dialogue and peace. Yesterday, here in Guatemala, the Central American foreign ministers issued a document backing this document of principles issued in Carabe ... [unidentified individual corrects him] Caraballeda.

Today, following [words indistinct] supplied by President Vinicio Cerezo [words indistinct], Salvadoran President Napoleon Duarte, Panamanian President Delvalle, the Uruguayan vice president, Honduran President-elect Azcona, and myself of Nicaragua issued a declaration in which we expressed our willingness to meet again here in Guatemala, in Esquipulas, as proposed by President Cerezo.

Now, we must wait for the new Costa Rican president to be sworn in, in order to set a date for the meeting. We also expressed support for the proposal of the Guatemalan president to create a Central American parliament.

We are willing to continue taking the steps to discuss this and present it for discussion at the next meeting of Central American presidents.

I express our thanks to the Guatemalan people and Armed Forces, which contributed to the political opening here in Guatemala. This illustrates the desire for dialogue and peace that the Latin American peoples have for the Central American [words indistinct] people.

Then, in contrast, there is the U.S. Government, bent on a policy of aggression and force. It is bent on seeking a way to commit the U.S. Congress to participate in this policy of force.

Nicaragua invites the U.S. Government and the U.S. President to sign a document based on the document issued by the Contadora Group and the Support Group. It would be a document on which we, the United States and Nicaragua, promise to implement the points contained in that document presented by the Contadora Group and the Support Group.

We invite the U.S. President to hear the voice of Latin America and the voice of the Latin American peoples and leaders and thus put aside the policy of aggression against Nicaragua and stop asking for more resources [words indistinct]. We feel that that policy must end.

We feel that the U.S. Government can [words indistinct] its determination to [words indistinct], and then it would be listening to Latin America, it would be acting rationally, and it would be truly interested in peace. It must stop acting in the aggressive way it acts against our country.

In the meantime we are involved in this situation of confrontation, this escalation, this warmongering attitude from the U.S. Government against Nicaragua that forces my country to strengthen its defense mechanisms. In other words, Nicaragua is being forced to arm itself to face the military escalation.

We have already expressed Nicaragua's willingness concerning the withdrawal of all foreign military advisers from Central America. We advocate that. We also advocate a freeze on the acquisition of new weapons systems in Central America.

In fact, Nicaragua, unilaterally, [changes thought]. Last year, Nicaragua made two unilateral decisions. One of them was to decree a moratorium on the acquisition of new weapons systems that Nicaragua needs so much. The other was the beginning of a gradual withdrawal of foreign military advisers from Nicaragua.

In line with this position, which was announced during the inauguration of Uruguayan President Julio Maria Sanguinetti, we went ahead and withdrew 100 Cuban military advisers. What was the U.S. response to these steps taken by Nicaragua? It accelerated military actions, increased the aggression against Nicaragua, gave more financial support to the mercenary forces, promoted terrorism against Nicaragua, tried to isolate Nicaragua internationally, and promoted economic actions against Nicaragua.

Logically, this led Nicaragua to cancel these measures that had been taken unilaterally. Therefore, Nicaragua has already shown (?in other situations) that it still desires peace, but that it is also determined to continue to defend its sovereignty and self-determination, maintaining all the necessary defensive means to face the military escalation [words indistinct] the United States.

The National Constituent Assembly, the establishment of which of is the result of the people's direct vote, is now working on drafting the country's constitution, which will lay the groundwork for the type of social, political, and economic regime we want.

The FSLN has already advocated a pluralist regime with a mixed economy and a nonaligned foreign policy.

Regarding the internal dialogue, mentioned in the document of the Contadora Group and the Support Group, the document was referring to a dialogue within the constitutional framework of each country.

The internal dialogue has been promoted in Nicaragua since 1985 and we still promote it -- including all the political forces that participated in the elections and those that did not as long as they respect the institutional framework of Nicaragua. We are promoting a dialogue with them around a basic task, which is of a [word indistinct] interest to Nicaragua's future: the drafting of the new constitution.

Regarding the mercenary forces, which are mere salaried forces, we must talk with the one who pays the salary of these mercenary forces -- the one who delivers their weapons, bombs, and knives, and the one who delivers all their weapons of terror: the U.S. Government, and those who discuss the policy to be followed against Nicaragua: the U.S. Government. It is the U.S. Congress that decides whether to give $7 million or $40 million and in what conditions it is going to deliver the funds to these criminals. It is the U.S. President who is determined to defend the terrorist and [words indistinct] policy disregarding international law, the International Court of Justice, and the calls issued by the United Nations.

So, who must we talk with? We must talk with whoever is truly leading the aggression -- that is, the U.S. Government. For this reason we think it is elementary -- to start any negotiation -- that the United States sit down with Nicaragua. It must sit down to discuss with Nicaragua all the (?existing) bilateral problems in order to create a framework of mutual security that allows us to normalize our relations, that results in an end to the U.S. aggression against Nicaragua, and that results in U.S. respect for international law.

[Question indistinct]

[Ortega] We heard yesterday that the sanctuary of violence in Central America is the social, economic, and political imbalances in the region. The lack of freedom and justice — this is the sanctuary. [passage indistinct]

[Ramirez] Victor Ramirez of Guatemala's Radio Mundial. Commander, [words indistinct] on page 2 of EL GRAFICO regarding a group of athletes who came to participate in the Central American games that ended recently and who requested asylum in various embassies in this capital. Can you comment on this?

[Ortega] Before we arrived in Guatemala we learned of those reports carried by various media in Guatemala. I see no reason why an athlete who is in Guatemala would seek shelter in an embassy. That would imply he is being persecuted here in Guatemala. That does not make sense. It is also illogical that he would request asylum in Guatemala because if an athlete wishes to move to another Central American country or even the United States -- and stay there -- he can do so. Communications are not closed there. Thousands of Nicaraguans leave every day; they travel all over the place and even go to the United States. They come and go; those who want to stay do so and those who do not want to need not do so. No one is there by force.

[Question] With regard to the idea of creating a Central Americal parliament, is Nicaragua willing to hold elections to choose its representatives to that parliament? Would Arturo Cruz or another member of the Nicaraguan opposition participate in that election?

[Ortega] What Arturo Cruz must do is find a way to participate in the elections in the United States [words indistinct] he may be elected a state representative. He has lived in the United States all of his life. He could even be a state governor one day. He is American. He thinks and acts like an American. Regarding the shape the parliament will take, I believe it is too soon to say. This must be subject to discussions and negotiations that Central Americans must undertake. [words indistinct]

[Question] What is your view of the fact that the Costa Rican president did not attend the meeting today? Do you have [words indistinct] Costa Rica? Will you attend the inauguration of President-elect Azcona?

[Ortega] It was our understanding that President Monge was going to come to Guatemala. [words indistinct] problems emerged in Costa Rica. We understand from the news media [words indistinct] that he could not come. Elections are imminent in Costa Rica and that is why we decided here that the meeting must take place after the new president of Costa Rica assumes power. [words indistinct] President Monge to assume commitments on behalf of the new president of Costa Rica.

Regarding President Azcona's inauguration, President Azcona and President Suazo Cordova invited us and Nicaragua will attend that event.

[Question] Regarding the Manzanillo talks, [words indistinct]?

[Ortega] The Caraballeda document emphasizes the importance of this meeting, of the need for a dialogue between the United States and Nicaragua to discuss bilateral problems and to know what issues are of concern to the United States and Nicaragua. Then, we can resolve the problems. Problems are resolved by talking about them, discussing them. We believe this is fundamental in order to advance and strengthen the negotiations proposed by Contadora.

[Question] [words indistinct] Nicaragua that before signing the Contadora peace document it will be necessary for the U.S. Government to sign a protocol ending its policy of aggression against Nicaragua?

[Ortega] No peace document will be effective if the problem of aggression is not resolved. I'll give you an example. How can the military buildup problem be discussed in the context of the peace document while an aggression is taking place? When there is an aggression, he who is being attacked is forced to defend himself. That implies arms. This creates a situation of military confrontation that leaves no room for a solution. Therefore, basic conditions must exist to create a climate favorable for negotiations. The Caraballeda document contains a number of simultaneous actions that -- to the extent to which they are implemented -- will create the best conditions for a negotiation process leading to the conclusion of the discussions and the attainment of peace in Central America.

[Question indistinct]

[Ortega] Nicaragua favors negotiation, but realistic negotiation with concrete bases for the creation of basic conditions to advance toward a resolution of the conflict.

[Question] Caraballeda is a concrete step.

[Ortega] It proposes specific, simultaneous actions and abiding by principles that are important. It also proposes nine simultaneous actions necessary to create the conditions to revitalize the negotiations, end the negotiations, and attain peace.

[Question] [words indistinct] you invite President Reagan for? To come to the Esquipulas meeting, or to go to Nicaragua?

[Ortega] We invited President Reagan to visit Nicaragua.

When we went to New York for the 40th anniversary of the United Nations we said on American television that we invited President Reagan to visit Nicaragua and meet with the Nicaraguan people and press on Nicaraguan television in a broadcast that would last as long as he liked.

[Question indistinct]

[Ortega] We said we would not place visa problems in President Reagan's way. [laughter] He has an automatic entry permit into Nicaragua. However, he must come without troops. [laughter]

## 2 HELICOPTERS ALLEGEDLY ATTACKED FROM COSTA RICA

PA170208 Managua Domestic Serive in Spanish 0129 GMT 17 Jan 86

[Report by Angelita Zavallos, director of information and press at the Foreign Ministry -- live]

[Text] The Foreign Ministry is drafting a protest note to the Cost Rican Government, with copies to the Contadora and Support Groups, on the following:

Today at noon two MI-8 helicopters were attacked with small arms fire from the Costa Rican side while they were on a patrol mission in the Rio San Juan area, Sarapiqui sector, in Boca de San Carlos. The sector is known as La Tigra de Sarapiqui. The two helicopters were damaged, but managed to land without problems. However, as a result of the attack, the copilot of one of the helicopters and the pilot were seriously injured. They have both been transferred to Managua, and they are alive.

We wanted to inform you of this incident in advance of the note that is being drafted, which will be published later.

## SPANISH FOREIGN MINISTER ARRIVES FOR VISIT

### Meets With Ortega

PA161521 Managua Domestic Service in Spanish 0300 GMT 16 Jan 86

[Text] President Daniel Ortega held talks with Spanish Foreign Minister Francisco Fernandez-Ordonez tonight, 15 January. The meeting was held at the Nicaraguan Foreign Ministry. In attendance was our foreign minister, Miguel D'Escoto. A Foreign Ministry spokesman said Ortega and Fernandez-Ordonez discussed the current Central American situation and the outlook for peace for 1 hour. A few hours earlier the visitor disclosed a document from his government giving official support to the Caraballeda document issued by the Contadora Group and the Support Group.

### Social Aid Agreement Signed

PA160315 Managua Radio Sandino in Spanish 0000 GMT 16 Jan 86

[Text] Spain and Nicaragua signed a document today to extend assistance in social aid programs in the areas of agriculture, cooperative housing, and health.

The aid agreement is for 110 million pesetas and was signed by Jose Angel Buitrago, Nicaraguan deputy minister of foreign cooperation, and (?Luis Cuero) of Spain.

Present at the signing of the document were Foreign Minister Miguel D'Escoto Brockman and Francisco Fernandez-Ordonez, who said that his government supports the agreement by Contadora and its Support Group. At the same time he emphasized the solidarity of the Spanish Government and people with Nicaragua.

Meets With Opposition Leaders

LD162335 Madrid Domestic Service in Spanish 2300 GMT 16 Jan 86

[Report by Javier Gonzalez and Juan Luis Prat; recorded remarks by Spanish Foreign Minister Fernandez-Ordonez in quotation marks]

[Text] In a few minutes, in Managua, President of Nicaragua Daniel Ortega will receive Spanish Foreign Minister Francisco Fernandez-Ordonez on the penultimate part of his tour of Central America. Prior to this he had other meetings. A report on this from Javier Gonzalez:

In Managua Spanish Foreign Minister Francisco Fernandez-Ordonez had a meeting with representatives of the Nicaraguan internal opposition. Specifically, he had talks with a delegation from the Nicaraguan Democratic Coordination [CDN], which is formed by the Social Democratic, Constitutional Liberal, and Social Christian parties, as well as two trade unions and the Higher Council of Private Enterprise. The delegation conveyed to Fernandez-Ordonez a document in which it sets out its position regarding mediation by Spain in Nicaragua. Luis Rivas Leiva, secretary general of the Social Democratic Party which forms part of the CDN, said Spain is not the ideal instrument to promote a dialogue because, in his opinion, Spain supports the Sandinists. However, Fernandez-Ordonez stressed to reporters that it is a question of good offices and not one of mediation:

"I repeated to them that, in accordance with the Guatemala Declaration signed yesterday in support of the Caracas Declaration, Spain's position is to support internal reconciliation and internal dialogue."

More details on this from Juan Luis Diaz Prat in Managua:

Fernandez-Ordonez meeting with the opposition was of an exclusively informative nature, as was confirmed by Enrique Bolanos, president of the opposition Higher Council of Private Enterprise.

The leaders of the opposition to the Sandinist regime told the Spanish foreign minister they want the solution to Nicaragua's internal crisis to be the exclusive work of Nicaraguans.

The Spanish and Nicaraguan delegations had a luncheon, which gave way to a lengthy working session at the Foreign Ministry in Managua. Fernandez-Ordonez will conclude his visit to Managua with a meeting with Commander Daniel Ortega, the president, before returning to Madrid with a stopover en route in Puerto Rico.

FLAVIO BRAVO MEETS WITH PERU'S ALVA CASTRO

FL161224 Havana Radio Progreso Network in Spanish 1200 GMT 16 Jan 86

[Text] Flavio Bravo, National Assembly of the People's Government [ANPP] president, has met in Lima with Luis Alva Castro, Peruvian prime minister and vice president. During the meeting Bravo gave Alva Castro a personal greeting from Cuban President Fidel Castro, which was reciprocated by the Peruvian political leader.

Attends L.A Parliament

PA161758 Havana International Service in Spanish 1600 GMT 16 Jan 86

[Text] Peruvian President Alan Garcia will open today in Lima an expanded meeting of the Latin American Parliament's Directive Committee, which 40 legislators from 19 hemispheric countries will attend. It has been learned that during 3 days of meetings they will discuss the institutionalization of that important organization as well as the grave foreign debt problem, while respecting the plurality of the various political regimes.

Flavio Bravo, president of the Cuban parliament who is in Lima to participate in the Latin American Parliament's special meeting, will also meet with President Garcia at the Government Palace.

DEL VALLE ASSESSES CUBAN EFFORTS IN GUYANA

FL161840 Havana Radio Periodico del Aire 1700 GMT 16 Jan 86

[Text] Georgetown -- Sergio del Valle, member of the Politburo of the Communist Party of Cuba, has arrived in this capital to evaluate the efforts of Cubans doing cooperative work in Guyana. Richard Van West-Charles, minister of health and public welfare and member of the National Executive of the People's National Congress party, met the Cuban leader at the airport.

1986-87 CULTURAL AGREEMENT SIGNED WITH ITALY

FL162327 Havana Radio Periodico del Aire in Spanish 2230 GMT 16 Jan 86

[Text] A cultural agreement for 1986-1987 between the Republic of Cuba and the Italian Republic was signed in this capital today. The document was signed for Cuba, by Foreign Ministry Cultural Relations Director (Alexandro Romano). The agreement includes areas of science, culture, education, and sports.

NICARAGUAN NATIONAL ASSEMBLY OFFICIAL ARRIVES

FL170042 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Jan 86

[Text] Reporter Diosdado Maso tells us about the arrival in Cuba of the vice president of the National Assembly of Nicaragua, Clemente Guido.

[Begin recording] [Maso] This afternoon Mr Clemente Guido, vice president of the National Assembly of the Republic of Nicaragua arrived in Cuba. A few moments after his arrival we spoke briefly with him at the Jose Marti International Airport's protocol room. What are the areas you are interested in during your visit?

[Guido] Actually, I am interested in learning in depth about how Cuban health services are organized, especially the Institute of Oncology and Radiobiology.

[Maso] The Nicaraguan parlament member also gave his opinion about the Caraballeda accord.

[Guido] I see two encouraging ideas: first, the meeting of Central American presidents, which will probably take place in Esquipula -- according to the proposal of President Vinicio Cerezo and accepted by all the other presidents, except the Costa Rican president -- this year, where the problems will be discussed at the high level; and second, the creation of the Central American parliament, which was also proposed by President Cerezo. I believe it has many possibilities, because it has been proven that parliament members understand each other better than presidents, is it not so? [end recording]

BRAVO GREETS CAMBODIAN PARTY CHAIRMAN CHEA SIM

BK170747 Phnom Penh Domestic Service in Cambodian 0430 GMT 17 Jan 86

[Text] Comrade Flavio Bravo Pardo, chairman of the National Assembly of the People's Government of the Republic of Cuba, recently sent a message of greetings to Comrade Chea Sim, chairman of the National Assembly of the PRK, on the seventh 7 January national day of the PRK. The message reads:

On this propitious occasion, I would like to express once again to the KPRP [Kampuchean People's Revolutionary Party], the National Assembly, government, and people of fraternal Cambodia my admiration for the monumental undertaking that you are accomplishing for the rebirth of a new Cambodia. I am firmly convinced of the success of your endeavors for Cambodia's economic and social development, the fruition of the great efforts and aspirations of your people, and the enlightened policy of your party and government.

I wish you the best of health, happiness, and new successes in your important responsibility.

HAVANA TO HOST AUTOMATED IMFORMATION MEETING

FL160216 Havana Television Service in Spanish 0100 GMT 16 Jan 86

[Text] The third meeting of the coordinating councils of national centers for automated information will be held in Havana from 21 to 25 January, with the participation of the Soviet Union, Bulgaria, Mongolia, CSSR, Hungary, Poland and Cuba. A greater information exchange through automated services will be discussed at the meeting. Presently Cuba has access to data bases via satellite with the Soviet Union and Bulgaria, and automated information services will be extended to CSSR, France, and Sweden.

The institute of Scientific and Technical Documentation and Information of the Academy of Sciences is working to incorporate all provinces and organizations in this system and to create data bases for the sugar industry.

'OUR AMERICA' SEES BAKER PLAN AS FAILURE

PA160130 Havana International Service in Spanish 0000 GMT 13 Jan 86

["Our America" commentary]

[Text] In the long run, everything illogical and responding to selfish interests is dismissed. Such seems to be the fate of the Baker Plan, which Washington tried to present at the end of 1985 as a magic formula to save Latin America from its foreign debt of $370 billion. The plan was announced during the IMF and World Bank conference in Seoul last year. The hope that it elicited initially began to dwindle as fast as a ship sinking helplessly into the depths of the sea.

The Cartagena Consensus and the Andean Parliament rejected the U.S. formula because it does not work. Not only that, they decidedly advocated joint Latin American action in view of its massive foreign debt, which they believe is clearly political in nature. The Baker Plan, which ignores key problems such as high bank interest rates and unequal trade, also earmarks the ridiculous amount of $20 billion for Latin America -- to be delivered in 3 years -- and credits such alms with an almost magical power. The amount is barely half what the continent's countries pay their creditors in yearly interest. More than 2 decades ago the Alliance for Progress sponsored by President John F. Kennedy conjured up a similar sum of aid for the region over a 10-year stretch. Since then the Latin American population has grown fourfold, and the foreign debt grew from $10.1 billion in 1963 to $370 billion in 1985.

The Baker Plan's insufficiency and inoperativeness are self-evident. Nevertheless, this ridiculous proposal has something positive to it: It has shown that the area countries cannot rely on the U.S. Government to overcome their crisis. SELA has clearly presented the need for the continent to break away from Washington. A dispatch datelined Mexico, 7 January, reports on the opinion of SELA adviser Sergio Vitar, who urged Latin America to foster its development independently in view of the uncertainty of the U.S. economy and its clearly selfish policy. Vitar added that Washington's treatment of Latin America's foreign debt problem -- vital to our peoples -- has been limited and does not correspond to the importance of the problem. Vitar correctly pointed out that all U.S. plans to deal with the problem of indebtedness have failed, because the United States has considered only the possibility of extending the amortization terms so far, without lowering the interest rates substantially.

This generalized awareness in Latin America is a sign of the new times generated by an untenable crisis. Washington -- which wants to turn its back on a problem for which it is largely and directly responsible -- can either listen to reason or face an aggravation of tensions in the area which could lead to a social explosion whose proportions cannot be fathomed.

## BAHAMAS

### PRIME MINISTER PINDLING SPEAKS AT PARTY BANQUET

FL162130 Nassau THE TRIBUNE in English 11 Jan 86 p 1

[By Anthony Forbes]

[Text] Prime Minister Sir Lynden Pindling said last night the time has come for the ruling Progressive Liberal Party government to transform the Bahamian people's significant political freedoms into major economic advances.

Sir Lynden, also minister of finance, said it is time to hammer economic independence into a Bahamian way of life and into the country's national system as the "protective break-waters" around the "safe harbours" of the Bahamas' political sovereignty.

The prime minister's call came as he addressed a banquet at the Polaris Hall of the Holiday Inn Hotel, Paradise Island, commemorating the 19th anniversary of the PLP's rise to power on January 10, 1967.

Over 1,000 persons attended the banquet, at which dissidents, former deputy prime minister Arthur Hanna, and ex-ministers Perry Christie and Hubert Ingraham, referred to as a "small, tiny, infinitesimal" group by PLP Chairman Sean McWeney, were absent. There were many empty seats in the dining hall.

Beginning where he left off in his new year's day message, the prime minister told his audience: "Now the time has come for the Progressive Liberal Party government to transform the significant political freedoms of our people into major economic advances.

"The time has come to hammer economic independence into our Bahamian way of life and into our national system as the protective break-waters, around the safe harbours of our political sovereignty," the prime minister said.

Asking what is economic independence, the prime minister said it implies giant moves in the economy of the country and foreshadows significant alterations in the number of Bahamians in the front line of the economy, and in the size of economic returns.

"It dramatically magnifies the geographic distribution of economic activities among our people expands the entire scale of our perception of business and economics," the prime minister said.

"Economic independence means increasing the size of the economy, not only by adding businesses but by adding whole industries," he said. "Economic independence means creating jobs, not by the hundreds but by the thousands. It means increasing tourism not by building another hotel but by doubling visitor arrivals."

"It means increasing agricultural output, not by fighting each other for our share of home market but by cooperating with each other to corner our share of the world market." Sir Lynden said.

"It means not just adding a few more banks, but by exploiting our on-shore and our off-shore banking infrastructure to win and secure a larger segment of the international financial market," he added.

The prime minister said that economic independence will require a jump in the level of national savings and an explosion in local capital formation, both of which require a major improvement to the level of competence and performance.

"I say economic independence is difficult to achieve, like political independence was difficult to achieve but it is not impossible, and once achieved, will represent a diamond in the crown of our political sovereignty," he said. Explaining capital formation, the prime minister said that it is the large scale accumulation of money saved.

"Savings are accumulated when you put aside some of whatever you earn. The more you earn, the more you can save, the more you save, the more capital you can form, the more economically independent you can be," he said.

"And the more of you that are individually economically independent, the sooner our nation will achieve economic independence," he said.

He said the structure of all western democracies is the responsibility of the government to safeguard the political and economic independence and to provide the political and material well being of the people they serve.

"At the same time, it is the church's responsibility to provide for the moral and spiritual well-being of those same people and the structure of this developing western democracy we call the Bahamas, it is the responsibility of a caring and progressive government to inspire its citizens to greatness and to chart a course for national economic independence," he said.

He said that against the Bahamian background of slavery and colonialism, racial discrimination and economic deprivation, this means that things must be spelt out for the once-suppressed black majority, that are unnecessary to be spelt out for the white minority that once had all of the privileges.

"Once it is spelt out and accepted, the process of equalization of opportunities will have been completed," the prime minister declared.

FNM HOLDS CONVENTION TO ELECT OFFICERS

FL161704 Nassau Domestic Service in English 1300 GMT 16 Jan 86

[Excerpts] Day 2 of the Free National Movement's [FNM] convention at Paradise Island was last night. Member of parliament from Montague Mr Orville Turnquist was one of the featured speakers.

Senator the Honorable Henry Bostwick in a hard-hitting address criticized PLP [Progressive Liberal Party] backbenchers. He also told the convention that the new direction of the FNM will be for all Bahamians, the aims social and economic commitment. Mr Kendall G L Isaacs has been returned unopposed as leader of the Free National Movement. During nomination of officers last night, Mr Isaacs was returned unopposed as leader. There will be a three-way race for the chairmanship: Senator Charles Virgil, Mr George Wilson, and Dr Mary Ritchie were nominated for the post. Outgoing chairman Mr Cecil Wallace-Whitfield is not seeking reelection to that position. The election of officers is scheduled for Friday.

FORMER MINISTER DENIES LEAKING CABINET SECRETS

FL161724 Nassau Domestic Service in English 1300 GMT 16 Jan 86

[Text] Yet more reaction to Prime Minister Pindling's Monday interview.

(Sanibel) MP [member of parliament] and former minister of tourism Perry Christie says he did not leak any cabinet secrets. He said he knew nothing of the sale of the Paradise Island Bridge. Mr Christie says he never used his position and a knowledge of the former cabinet member to place the government at a disadvantage as case in point.

## BARBADOS

### ST JOHN HOLDS TALKS WITH ITALY'S ANDREOTTI

FL160028 Bridgetown CANA in English 2139 GMT 15 Jan 86

[Text] Bridgetown, Barbados, Jan 15, CANA -- Barbados Prime Minister Bernard St John held talks today with Italian Foreign Minister Giullo Andreotti, according to a government information service (GIS) release. GIS said the discussions touched on co-operation in civil aviation, the expansion of the European Community and the Lome Convention.

Andreotti was en route to Italy from Guatemala where he attended the swearing in ceremony of the new civilian president.

GIS said the breakfast meeting was attended by Minister of Foreign Affairs and International Trade Senator Nigel Barrow and senior government officials.

Andreotti later left for home.

### IDC OPTIMISTIC ABOUT MANUFACTURING INDUSTRY

FL160158 Bridgetown BARBADOS ADVOCATE in English 10 Jan 86 p 1

[By Joy Springer]

[Text] Sixteen companies closed and 635 jobs were lost in the manufacturing sector last year. Meantime, eight new companies opened providing employment for 120 people and with a proposed initial investment to just over $9.5 million.

Mr Fred Gollop, chairman of the Industrial Development Corporation (IDC), was optimistic about the future of industry yesterday which he said was steadily expanding.

He said the IDC planned major thrusts this year to further boost the sector. He said that one of the major constraints related to the availability and cost of raw materials and the IDC was looking towards Brazil for a solution to this problem. Two senior officers are going into Brazil next week to do preliminary work in this area.

The biggest problem in 1985, he said, was the downturn in the electronic industry, which was a massive employer. Corcom alone employed 700 people at one stage, he said.

He said there were signs that the electronic industry was turning around and when it did it would have an immediate impact on Barbados.

"We have not lost faith in this industry. Barbados' political stability is still a plus and there is a side of the computer industry which is growing rapidly which relates to satellite equipment and components for military application."

He said that the IDC would also be spearheading the promotion of off-shore financial services this year. In 1985, 200 United States foreign sales operations registered in Barbados and there was also a substantial increase in the number of international business companies, he said. Mr Gollop said that in the last two years, there has been much new interest in Barbados among potential investors. Last year, the IDC met with 200 potential clients including representatives of 86 companies from the United States, Europe, China, Korea and within the region.

Two new joint ventures were finalised -- one in the area of electronics with potential for making a substantial contribution to employment and the other in the garment industry.

Meanwhile, Mr Gollop said that he was well satisfied that the IDC had to keep its Brussels office open even though no new joint ventures had been established out of Europe last year.

He said there had been difficulties in Europe because of the recession and particularly the strength of the U.S. dollar but there were signs that things were looking up and one company out of Europe was about to be set up here.

In respect of Puerto Rico, Mr Gollop said that U.S. $7 million in investment funds were being made available under the 936 code for joint venture projects between Puerto Rico and Caribbean Basin Initiative designated countries.

Barbados was actively working with a number of contacts in this area, he said, particularly in respect of the health care and pharmaceutical type of industries and was hopeful of positive results.

## GRENADA

### IMF REPORTS NATION REDUCED FOREIGN DEBT IN 1985

FL170049 Bridgetown CANA in English 2126 GMT 16 Jan 86

[Text] St Georges, Grenada, Jan 16, CANA -- Grenada was able to cut its external debt ratio to 44.4 per cent in 1985 from 52.1 per cent the previous year, according to an International Monetary Fund (IMF) report. The report said the reduction was due to amortization repayments and a substantial reduction in public sector borrowing abroad.

Grenada's national debt is officially put at around EC168 million dollars (one EC dollar; 37 cents U.S.), with outstanding arrears due to a number of international organisations and governments both in Western and Eastern Europe.

Grenada's external debt, including debts to the IMF, had increased from 35.1 per cent of Gross Domestic Product (GDP) at the end of 1981 to 58 per cent at the end of 1983, reflecting disbursements of both concessional loans and commercial credits for the international airport and other projects. The report said there had been delays in payments of debts during 1985. The delays in debt servicing rose from one per cent of GDP at the end of 1983 to an estimated 3.6 per cent of GDP at the end of 1985, the IMF said.

The report also said that the island's scheduled debt service in relation to exports of goods and services had grown from 3.7 per cent in 1981 to 16.5 per cent in 1985, reflecting the need to service debts contracted during the 1979-83 period and the rise in service payments to the fund. The report cited an 18 per cent improvement in Grenada's terms of trade in 1984 followed by an estimated 13.4 per cent last year due to a recovery in export prices of the major export crops -- cocoa, bananas and nutmegs.

SOVIET DELEGATION EXPECTED FOR COOPERATION TALKS

FL152256 Bridgetown CANA in English 2240 GMT 15 Jan 86

[Text] Georgetown, Guyana, Jan 15, CANA -- A Soviet trade and economic delegation was due here tonight for trade and economic co-operation talks.

Among the discussions are the expected signing of a long-term bauxite delivery contract, and possible Soviet investment in local bauxite and gold mining, according to local sources.

Guyanese diplomats in Moscow said last month that Guyana would ship bauxite to the Soviet Union over seven years. Moscow is in return supplying Georgetown with machinery, a commercial aircraft and other items.

The Soviet team, which will be here for one week, will also discuss co-operation in health, forestry, livestock energy and rice.

In the case of health expected to be addressed include the supplying of equipment for use in the anti-malaria programme, post-graduate training for Guyanese in the Soviet Union and the supply of Soviet tutors at the recently established medical school at the University of Guyana.

The Soviet delegation will be led by Zinoviev Nikolai Vasilyevich, head of the department, Ministry of Foreign Trade. The talks begin on Friday.

PCD TO REPORT ON 'ELECTORAL MALPRACTICES'

FL170059 Bridgetown CANA in English 2208 GMT 17 Jan 86

[Text] Georgetown, Guyana, Jan 16, CANA -- Guyana's recently-formed five party Patriotic Coalition for Democracy (PCD) says it will shortly begin a programme of visit to Caribbean Community (Caricom) countries to discuss with representatives of governments, political, church and labour organisations the alleged denial of electorial democracy in the Co-operative Republic.

Following the controversial December 9 general election, five of the country's six opposition parties formed a coalition to struggle for the defence of civil and political rights and to ensure a peaceful democratic process, typical of the Caribbean.

The parties are the well-known leftwing People's Progressive Party (PPP) and the Working People's Alliance (WPA), as well as the rightwing and centrist parties, the Democratic Labour Movement (DLM), People's Democratic Movement (PDM) and the National Democratic Front (NDF).

The planned Caricom tour is expected to start in Trinidad and Tobago next week. The team will pay a two-day visit to Barbados before going on to members of the Organisation of Eastern Caribbean States (OECS).

A spokesman for the delegation representing the coalition said it intended to provide information about electoral malpractices at the December 9 poll, at which the incumbent people's national congress (PNC) won 42 of the 53 parliamentary seats, and also to seek the co-operation of regional governments and organisations in the battle for parliamentary democracy in Guyana.